

**TOURIST & RESIDENTIAL DEVELOPMENT "PUNTA ARENA LIGHTHOUSE POINT ESTATES" CONDOMINIUM & ADMINISTRATION BY-LAWS**

The following By-Laws are subject to the governing State of Baja California Sur Condominiums & Property Laws, having as its main purpose, to regulate the organization, cohabitation, administration and proper functioning of the Residential Development named "Punta Arena Lighthouse Point Estates". All Lot Owners, occupants or visitors in the Estate and surrounding areas are obliged to follow these Regulations. A certified copy of the Condominium By-Laws must be adhered to Appendix of Deeds, and will consider the following:

**GENERAL REGULATIONS**

**ARTICLE 1.** The Real Estate location, its surface, boundaries, the Condominium and each and every one of its lots general description, and its pertinent parts, the Condominium common sites, the Real Estate value, and the percentage that corresponds to each Lot Owner will be determined by the Development Deeds.

**DEFINITIONS.**

**A) DEED.** --Public Deed number 52,131, book 1006, signed the day 23th of September

*of 2004, before Notary Public number 1 of Baja California Sur state, Licenciado Armando Antonio Aguilar Ruibal, by means of which the "Tourist & Residential Development located at La Ribera, Los Cabos, Baja California Sur under the name "Punta Arena Lighthouse Point Estates 2nd phase", -----*

*----- Public Deed number 52,136, book 1006, signed the day 23th of September of 2004, before Notary Public number 1 of Baja California Sur state, Licenciado Armando Antonio Aguilar Ruibal, by means of which the "Tourist & Residential Development located at La Ribera, Los Cabos, Baja California Sur under the name "Punta Arena Lighthouse Point Estates 3rd phase", -----*

*----- --- Public Deed number 52,255, book 1015, signed the day 13th of October of 2004, before Notary*

*Public number 1 of Baja California Sur state, Licenciado Armando Antonio Aguilar Ruibal, by means of which the "Tourist & Residential Development located at La Ribera, Los Cabos, Baja California Sur under the name "Punta Arena Lighthouse Point Estates 3 A phase", -----*

*--- Public Deed number 1,753, book 72, signed the day 15th of June of 2004, before Notary Public number 17 of Baja California Sur state, Licenciado Maria del Pilar Garcia Orozco, by means of which the "Tourist & Residential Development located at La Ribera, Los Cabos, Baja California Sur under the name "Punta Arena Lighthouse Point Estates 4th phase", -----*

*----- Public Deed number 3,145, book 142, signed the first day of June of 2007, before Notary Public number 17 of Baja California Sur state, Licenciado Maria del Pilar Garcia Orozco, by means of which the "Tourist & Residential Development located at La Ribera, Los Cabos, Baja California Sur under the name "Punta Arena Lighthouse Point Estates 5th phase", -----*

*----- --- B) LEY. Ley sobre el régimen de propiedad en condominio del estado de Baja California Sur. -----*

**B) GOVERNING LAWS.** These By-Laws will be subject to the State of Baja California Sur Condominium Property laws.

**C) RULINGS.** The ones described by the Residential Development "Punta Arena Lighthouse Point Estates" Tenants and Administration By-Laws, which will determine all Lot Owners, occupants or visitors rights and obligations.

**D) THE CONDOMINIUMS.** The group of Lots, common lands, houses, premises of a Real Estate built horizontally, vertically or mixed, hereinafter named as the Condominium which may be used independently because of having an exit of their own, towards a Real Estate common element, or towards the public or common road, should they pertain to different Lot Owners, who will enjoy a singular and exclusive property right over their own Units. They will also enjoy a co-proprietary right over the elements and common areas of the Real Estate, which are necessary for an adequate usage and enjoyment;

**E) LOT OWNER.** Is the natural person or Company, who counts with the property/ Title rights or escrow rights for one or several Units pertaining or being part of the exclusive property of a Real Estate governed by the Lot Ownership Laws, even if he has gained such rights or benefits by means of a private or preparatory Contract, and in accordance with this law, provided he has signed a Contract, by virtue of which –having complied with all legal requirements , he will become an owner or Trustee for a Unit of Exclusive Property .

**F) OCCUPANT.** Every single person who occupies, upon the Lot owner’s permission, the Real Estate of the Lot Owner’s exclusive property, is it by means of a Lease Contract or a Commodate or verbal authorization, with previous notice to the Administrator and the Home Owners Association (HOA). The occupant may use all common areas, provided he follows the pertinent rules, the Deed and the present By-Laws;

**G) VISITOR.** Every person who –not being a Lot Owner, tenant or bailee in the Condominium is passing or visiting on a business call, social or official activity within the Estate.

**H) DEVELOPMENT.** The Tourist & Residential Development “Punta Arena Lighthouse Point Estates” premises.

**I) BEACH FRONT LOTS.** The Lots located in all Phases, designated “A”, as per the general drawings.

**J) AVENUE LOTS.** The lots located in all Phases, designated “B”, as per the general drawings.

**K) ESTATE LOTS.** The lots located in all Phases, designated “C & D”, as per the general drawings.

**ARTICLE 2.** Legal issues not contemplated by these By-Laws will be supplementary settled by The State of Baja California Sur Condominiums & Property Laws.

## **LOT OWNERS RIGHTS & OBLIGATIONS**

**ARTICLE 3.** The owner of every lot may use, enjoy and dispose of at will, being it by transferring , hypothecation or leasing without the general

consent of all other Lot Owners, and in general he may exert ownership actions on his/her property, not being allowed though to partially sell, lease or subdivide part of the property for sale. Likewise, being it the Bill of Sale, Ownership transfer or Trust, the governing Laws of Condominiums ownership for the property itself will apply, in order that all limitations and prohibitions imposed by the law, the Deeds and these By-Laws be adhered to.

**ARTICLE 4.** The Lot Owner and his tenant or any other cessionary of usage, will agree who will be the person to attend the General Lot Owners Assembly Meetings and in which case the cessionary will represent the Lot Owner at those meetings. The Lot Owner will be the unique responsible for the users financial obligations; the lot's owner will timely notify the Administrator regarding such issues, so that the proper power of attorney be granted to the person in charge of attending the Board Meetings.

When signing Usage Contracts for every property, the Lot Owners will see that the User will comply and make others to comply with the obligations underlined in the present By-Laws.

Having in mind that our main goal and basic policy of the Owners within the Estate is the peaceful enjoyment and use of the environment, Owners as well as Users are called for total compliance and adherence to these policies, procedures, rules and regulations. Consequently, –after midnight- is a recognized community standard to stop all type of noisy activities or disturbances which may break the tranquility and peaceful environment of this community.

**ARTICLE 5.** Every owner or tenant will use the housing in an orderly and peaceful manner; therefore he (she) is not allowed to:

a) Carry out illegal actions or misconduct against the legal rulings, or that affect the Condominium's standards and reputation, the stability, security, welfare or comfort of other Owners or tenants, not even incurring in omissions or negligence whatsoever;

b) Use the property for non-residential purposes or partially or totally subdivide this property; or build a single residential unit except as

designated in the Master Plan for La Cholla Villas.

- c) Carry over activities inside or outside the unit of his (her) exclusive property, that may interfere with the normal operation of common areas or general premises, or that affects or make it difficult to use the common areas, jeopardizing the security or tranquility of the remaining Lot Owners or occupants;
- d) Construct, build or modify the interiors of the Real Estate of his (her) exclusive property, that may affect the general structure, shared walls should they exist, and other Estate essential elements that may endanger their stability, security, welfare or comfort;
- e) Carry over works or repairs during the night, except in case of emergency;
- f) Carry over works that modify the Estate's urban and/or architect design against what has been established in the present By-Laws;
- g) Change the usage or nature of all green and common areas, against what has been established by means of the Deeds and present By-Laws.
- h) Change the usage, modify the limits or roof the parking places with any type of material, unless there is a special permission by the Assembly;
- i) Own animals that, because of their number, size or nature affect the Lot Owners' safety, health conditions or comfort, except when there is a special permission by the Assembly. Only pets are allowed if and when they remain within each property. When taken out, they must use a dog leash or be under the owner's reasonable control.
- j) In consequence, the Property's usage and environment will not jeopardize ethics and good behavior
- k) It is strictly prohibited to throw garbage in common areas or visible areas within each Lot Owner's lot.
- l) No vehicle will be driven –within the property - surpassing the speed of 20 mph and 10 mph when people are present.

**ARTICLE 6.** With regard to assumed cases foreseen by Clauses a) b) c) and e), there is need for a special permission of the General Assembly, which will name an expert to assess the stability and security of the properties as well as the accomplishment of the works previously authorized, being the Lot Owner, responsible to cover the expenses implied therein.

**ARTICLE 7.** Each Lot Owner or Occupant is obliged to allow that the necessary repairs in the common sites, walls, fences or intermediate railings be done. With this purpose Lot Owner and/ or Occupant will permit access of Contractors or workers to perform such work in their property.

**ARTICLE 8.** Each Lot Owner, Tenant or Occupant within reasonable terms may reasonably enjoy common properties, services and general premises as per their nature and regular destination without restrictions or burden to others. All of this, under the governing and present By Laws, Deeds and the Law.

**ARTICLE 9.** The Lot Owners and guests must park their vehicles within their property. Each Lot Owner will be entitled to the common parking places accessible to his/her visitors. For this purpose the Security Guard will provide them with the pertinent permit.

**ARTICLE 10.** The use of motorcycles, dune buggies, ATV or any other vehicle is strictly prohibited to recreationally cruise and travel along the beachfront. An exception is permitted for temporary vehicle easement to launch a watercraft or transport beach accessories for a day beach outing (cabanas, tents, coolers, fishing equipment, etc.) Once the watercraft, and/or accessories are delivered the vehicle must be removed from the beach. In the event of an observed violation the Lot Owners are requested to immediately inform the Administrator and/or Security Guard, about the non-compliance of this stipulation.

**ARTICLE 11.** With the Administrator's previous written authorization, the Lot Owners will be allowed to use motor homes only under the following circumstances:

- ❖❖ ·It may only be used for a period no longer than a year after the foundations of his/her house have been laid.

- ❖❖ ·It will be placed in a position not visible to his/her lot's exterior.
- ❖❖ ·It will only be placed in his/her property.
- ❖❖ ·It will not be parked in the beach zone.
- ❖❖ ·May this be the case; the motor home must remain in the area assigned by the Security Guard in Phase II of the Development's Master Plan, area that has been specifically designated for parking or storage of motor homes and motorcycles. The expenses for the adaptation of this space will be shared by the Lot Owners. **ARTICLE 12.** All complaints with regard to harmful actions, which have been established by the present By-Laws, may be addressed by the Lot Owner to the Administrator who will personally take the necessary corrective measures to solve the situation. Depending upon the importance of the case, s/he will inform the General Assembly accordingly. **CONTRIBUTIONS**

**ARTICLE 13.** The Lot Owners are obligated to pay yearly quotas as determined by the Annual General Assembly Meeting for the corresponding fiscal year. As of November 14, 2009, the annual dues rate has been set at \$400 per lot. If annual dues are paid by or prior January 15th the lot owner will receive a full ten percent (10%) discount making the payment \$360 per lot. Late payments AFTER February 15th are subject to a ten percent (10%) penalty (\$40) requiring payment of \$440 per lot. Annual dues paid in advance will be used for the maintenance of common areas, the encouragement of recreational activities, welfare and security, providing for quality life in the Properties and

the Estate's as well as protecting and increasing properties values.

Quotas amount will be adjusted as per the Association's needs by mutual agreement reached annually at the General Assembly Meeting, these amounts will be used for the Estates maintenance and common Property expenses. The Minutes of the Lot Owner's General Assembly Meetings which establish any contributions or annual dues quotas to be paid by the Lot

Owners will be officially registered before a Notary Public.

Should a Lot Owner deliver a check on foreign Banks or a national Bank outside of the San Jose location, the owner will be charged a commission equivalent to the amount paid for collecting such a check. The Administrator or Home Owners Association active Board of Directors (Treasurer) may reject this payment unless these collection expenses are paid in advance.

**ARTICLE 14.** No Lot Owner will be exempt from payment of the contributions determined by the Lot Owners General Assembly.

**ARTICLE 15.** Common expenses must be understood as the cost for maintenance and handling of common areas and services therein related to, as well as the creation of a reserve fund These expenses among others are determined by the Lot Owners Assembly, i.e.:

Maintenance and repair expenses required by the Property common areas such as green areas, common roadway aisles, Estate access and access to beach, among others.

Salaries and benefits for Administrator, administrative personnel (i.e. Property Manager), security personnel, service personnel and others.

Water usage for common area landscaping, common areas lighting, land taxes and any other derived from the Property usage.

All expenses related with the Property cleaning and maintenance equipment.

The establishment of a reserve and contingency fund.

Payment of civil liabilities which may arise.

Payment of maintenance quota guaranteed by a contracted Bond, when so stipulated.

Taxes, rights rates and contributions of any nature surrounding the Property as a common object. Expenses and repairs in cases of partial destruction of less than two thirds of the Property value or the Property



old age, and expenses agreed upon in case of reconstruction.

In general, it must be understood by common expense, the payment of common services and expenses related with the proper functioning of common property.

Payment of professional services fees, like accountant, lawyer, etc. Based upon the Budget prepared by the Administrator, the Lot Owners General Assembly will establish the regular and special contributions to be paid by Lot Owner, according to the present By-Laws. Special contribution must be understood as those payments required for an extraordinary project to benefit the Estate, a non-ordinary or unexpected liability to be paid by Lot Owner. **ARTICLE 16.**

Payment of the pertinent annual dues contributions will be

made annually during the first fifteen days of January in the Administration offices or by means of a bank deposit established by the General Assembly, no previous notice needed. Payments before January 15th will enjoy a 10% discount. Payments made after February 15th will pay a 10% penalty. After one year has elapsed from the delinquent annual dues payment, the Lot Owner shall be penalized with a lien on the property, the legal cost for exacting that lien, and in addition a conventional penalty equivalent to 50% of the

contribution that s/he should have originally paid.

Any excess annual dues gathered will be used to establish a reserve fund to be exclusively used for necessary contingency expenses. Reserve funds will be deposited by the Administrator in a separate Bank account; if applicable law so

permits, deposits will be made in a Bank account that allows US deposits or in a US dollar account in Mexico and will be maintained for such purposes. Those funds will not be mixed with the regular or special quotas and will be considered as the Co-owners contribution to the Administrator's (HOA

Board) capital account.

**ARTICLE 17.** The non-compliance of payment of one year maintenance quota will entitle the Administrator – independently from the interest generated foreseen by Article 16 – to initiate legal collection procedures to obtain delinquent payment by means of seizure and auction sale as established by judicial authority. The foregoing is permitted per Article 47th of the State of Baja California Sur Condominium & Property Laws.

### **Recommended measures for the Condominium better administration, maintenance and operation**

**ARTICLE 18.** Owners will not undertake by their own initiative or by means of temporary or permanent occupants of their Property, any remodeling against the property, and the Condominium general appearance and good standing. If major construction is needed must to have a new authorization by the Architectural Review Committee (ARC) according to this CC&R.

**ARTICLE 19.** To undertake water, electric and septic works within their Lots, the Architectural Committee's consent is required. If the original plan of the house is changed it will need authorization from the ARC.

**ARTICLE 20.** The Lot Owners or occupants must allow under their supervision, for the necessary repairs of their properties' common areas such as fences, intermediate aisles and if necessary allow access to ARC and workers in charge of carrying out the works, specially the ones dealing with water and electrical piping and common channeling system through lots.

**ARTICLE 21.** The Owners not occupying their property are deemed personally responsible for execution and compliance of charges and conditions imposed by present By-Laws.

**ARTICLE 22.** The Condominium La Cholla charges will be divisible by each and every one of the lots and the Lot Owner will only be responsible for the one corresponding to his/her property. In other words, each owner sharing a condominium on one lot will pay half the annual dues of a full lot.

**ARTICLE 23.** Each Lot Owner will cover at his own expense all repairs needed for their own and exclusive property. The exception is the common

perimeter fence of Lighthouse Point Estates that benefits everyone.

**ARTICLE 24.** Each Lot Owner will independently pay for his/her own electricity, property tax, telephone, water bills, etc., that s/he uses exclusively in his/her property.

**ARTICLE 25.** The Lot Owner's are obligated to insure his/her own property and pertinent common area, covering total Insurance premiums by their destructible value against fire, earthquake, explosion or any other event jeopardizing the property.

## **ARCHITECTURAL DESIGN**

The General Assembly will name an Architectural Review Committee (ARC) to supervise the construction of homes in accordance with the CC&Rs and in harmony with the exclusive style standards of the Estate. The Committee members will be named for a one-year period, with possibility of being re-elected if the General Assembly so agrees.

For any construction requiring a building permit within the Estate, plans must be presented by owner and builder to ARC for approval.

. Upon the ARC's approval, the contractor can proceed to get the construction permit

and/or any other government authorization required to commence building. In accordance with the CC&Rs the general guidelines applied by ARC include:

Every house built on lots marked as "A" on the Master Plan, will not exceed 5-meter height.

Every house built on lots marked as "B" and "C" on the Master Plan, will not exceed 7-meter height.

Every house made on lots marked as "D" on the Master Plan, will not exceed 9-meter height.

The aforementioned heights are to be measured from the average topographical height taken from an ARC approved official survey.

Different roof heights are allowed if and when the height of others does exceed established height limits.

Every house will keep a side setback of not less than 2 meters from adjoining property lines and no less than 6 meters from front of each lot.

[REDACTED]  
The ARC having receipt

of the official construction plans will give notice of either approval or

[REDACTED]  
[REDACTED]  
disapproval (with explanation) on or before 30 days from submission

Distances for construction on the beach front lots will be strictly

determined according to the current Federal Mexican law and parameters established by SEMARNAT. Construction cannot begin until authorization of the ARC committee is approved. ARC approval will be based upon a determination that that the construction plan reasonably complies with the current Federal Mexican law distances from the beach using the official topographical study. This requirement will help protect turtle nesting, promote fairness, protect beach property owners from having their neighbors infringe upon their right to enjoy views from their

established property and avoid governmental penalties for violations.

The maximum area to be built in any of the lots shall not exceed fifty percent of total lot area. The minimum construction for each house shall not be less than one thousand two hundred sq. feet (1,200 Sq ft) excluding terraces and swimming pools.

All facades within the Estate must contain Mexican, Spanish or Mediterranean designs, using concrete or roof tiling, using earth tone

colors.

Only one main residence per lot is allowed; the building of carriage entrances, service rooms, shadow structures and guest rooms not adjacent to the main building is allowed.

Patios, terraces, exterior shadows may be covered with palms, wood, bamboo or similar materials.

Walls must be built with stone, brick or concrete block, not exceeding 2 meters in height. **ARTICLE 26.** All construction will include the following basic installation details:

All properties must have with at least 2 car spaces within the property.

Generators, boilers, heating units, garbage containers or any other accessory will remain in covered places, or shielded, to avoid noise or odors.

Water containers, antennas, satellite dishes, solar collectors or any other type of structure to be placed on the building must not alter the roof appearance, they will be placed in non-visible locations from the exterior of the house.

Every lot will have a Re-cycling water treatment system to allow the watering of gardens and green areas with this recycled water. Specifications of such systems must be approved by ARC.

All Lot Owners are obliged to properly maintain access roads to their property, avoiding objects that affect harmony and aesthetics.

Water heaters, garbage containers and laundry area must remain away from the main facade of the building. The ARC will take the necessary measures for the project's approval, as well as guaranteeing the accomplishment of the Law and present By-Laws. **ARTICLE 27.** In order to start any type of construction within the Estate, the owner or contractor must sign a negotiable bond to the Administrator's and/or

treasurer who is in charge for the amount of \$ 1,000.00 (One thousand Dollars, US) for the purpose of garbage and debris removal, as well as to cover expenses derived from spoiling or damage during construction. Such a document will be returned not cashed once the construction is finished and an onsite assessment has been done, according to present By-Laws. Such negotiable bonds must to be renewed each year until the end of the approved construction. The constructor will provide workers with W.C. facilities, garbage containers area, and human and building leftovers. All construction leftovers must be

taken away from the Estate. The burning of garbage or leftovers is prohibited. Any additional expenses by the HOA to clean up after construction shall be covered by owner or builder in full not limited to the \$1,000.00 bond.

No authorization will be given, nor will the ARC authorize that any facades will alter the Condominium harmony i.e. shape and color, thereby upsetting the general residential harmony. An exception can only be possible when authorization is given from the majority of the Lot Owners General Assembly and ARC to conditionally approve the exception.

Fences or walls taller than the ones permitted by the ARC are not allowed.

## **COMMUNITY PROTECTION COMMITTEE**

**ARTICLE 28.** The Lot Owners Assembly must name a Community Protection Committee with no less than five Lot Owners who will prepare emergency plans to prevent, reduce and respond to damages or risk of injures from natural disasters such as hurricanes, tropical storms or any other natural menace against the physical integrity and the Lot Owners property and possessions.

**ARTICLE 29.** The Community Protection Committee will be presided by a director who will coordinate any necessary measures for the benefit of the Estate community and its inhabitants. The Committee can prepare plans and programs to help prevent and reduce risk of a likely harmful event for the Condominium/Community and its inhabitants. Its members shall be

appointed by the HOA Board of Directors for a one-year term and can be reappointed.

## **SECURITY COMMITTEE**

The HOA Board of Directors may appoint a Security Committee in charge of checking upon Estate's security in order to prevent crimes or infringement against the persons within the Estate. Such a Committee ideally will consist of no less than three Lot Owners who regularly live or visit the Estate. The Committee will work closely with Security, come under the authority of the HOA Board and can be re-appointed annually. The Committee will provide a report of activities and recommendations at the General Assembly Annual Meeting.

## **THE LOT OWNERS GENERAL ASSEMBLY**

The Lot Owners General Assembly majority will be the maximum authority within the Estate, presided by the President, Vice President a Secretary, Treasurer and Member-At-Large who are elected among the Lot Owners; this group is otherwise known as the Home Owners Association (HOA) Board of Directors. The elected HOA Board serves as the principal Administrator by delegation of authority of the General Assembly which allows them to appoint person(s) to perform Administrator duties via volunteer, committees and paid contracts.

Ordinary and Extraordinary General Assembly Meetings will take place. The Lot Owners General Assembly will see that Article 35 of the Law be strictly adhered for accountability. All other matters not to be specifically dealt by the Ordinary Assembly may be covered by the Lot Owners Extraordinary General Assembly, or a quorum HOA Board meeting.

**ARTICLE 30.** Notice for the General Assembly Meetings will be made in writing upon acknowledgment or by e-mail also acknowledged at least ninety days prior to the meeting's date. The Annual General Meeting will be held during the first or second Saturday of November. The Administrator will receive all Lot Owners' e-mails for the purpose of making notifications. Notice for Extraordinaire Assembly Meetings will also be made in the same manner, ninety days prior to the date of the Meeting. When a reasonable

effort is made by the Administrator to directly contact all Lot Owners there is no need for a public notice when the General Assembly establishes periodic meetings, detailing date, hour and place of the meeting.

The summons for the Assemblies can be made in writing, or by electronic mail, with receipt requested at least fifteen days before the date of the Assembly. All Lot Owners will be requested to provide updated mailing address and email address to the Administrator. It is the responsibility of the Lot Owners to keep their current address and contact information updated so they can be informed about upcoming meetings, special issues and events.

The Lot Owner will provide to the Administrator their contact address, telephone numbers, and e-mail address to the HOA Board Secretary in order to be notified of upcoming meeting dates, or problems with their property that they need to be aware.

If notification is made pursuant to the provisions of this clause, and the Lot Owner has not receive such notice on any for the Assemblies, this does not invalidate such Assembly and any decision made. The presence of each Lot Owner in person or by proxy shall be deemed a waiver of any notice required for such an assembly.

**ARTICLE 31.** When the General Assembly Meeting takes place at first notice, a quorum of 75% of the eligible Lot Owners is required; when it takes place at a second notice, at least a 51% quorum is required. There must be a minimum of one natural day, or 24 hour notice, between the first notice and second notice. However, in the event that 51% of eligible voters are not present at the second notice, for the sake of expediting business and not grossly inconvenience requiring those attending to return yet another day, a third notice can immediately be given which allows the General Assembly Meeting to officially open with the number of eligible Owners being present. Once the General Assembly Meeting opens under the first, second, or third notice call all decisions will be approved by the existing majority. There must be a minimum

lapse of one natural day between the first notice and the date of the second notice, and 10 minutes between second and third notices.



**ARTICLE 32.** Failure by a Lot Owner to pay their full payment of annual dues or established quotas will result in the suspension of the right to vote or be elected. In order to obtain the right to vote or be elected the Lot Owner shall pay his/her overdue payments in cash **prior** to the Assembly General Meeting.

**ARTICLE 33.** For the validity of decisions taken at the General Assembly Meetings, except when the Incorporation Deeds call for a different percentage or unanimous votes, affirmative votes for the majority of the Lot Owners present is required. All decisions legally reached must be accomplished by all Lot Owners, including those absent or dissident.

If and when the Lot Owner is up-to-date on his/her regular payments, s/he will be entitled to a number of votes equal to the number of lots s/he owns in the Estate. S/he must personally be present or grant a written Power of Attorney/Proxy with two witnesses signatures. When votes are equal, the President's vote will be the deciding vote.

Extraordinary Assembly Meetings for the purpose of modifying Assembly decisions, the Condominium Deeds or the present By-Laws, will require a Legal quorum, that represents 70% of the Lot Owners present. The voting strength of the Lot Owner at a General and/or Extraordinary Assembly meeting who owns more than one lot shall not be greater than 10% of the quorum in attendance in person and by proxy to protect the democratic influence of decisions. In dealing with subsequent notice and Extraordinary Assembly Meetings, all decisions will be reached with majority of votes of Lot Owners present and proxies at that moment. Every General and Extraordinary Assembly Meeting will produce written Minutes with signatures of HOA Board present, for the official Minute Book

**ARTICLE 34.** At the discretion of the HOA Board, for designated issues the Lot eligible Owners may carry out her/his vote on any of the Assemblies through electronic mail or by any other electronically site. Adherence to current regulations will be closely followed according to the terms of the Condominium Property Regime Law of the Baja California Sur state.

**ARTICLE 35.** The HOA Board Secretary will take careful notes and will attach the pertinent written Minutes to the Minute Book. The Administrator

will have written Minutes available at the Lot Owners request for review to inform them about all decisions made at the General or Extraordinary Assembly Meetings.

## **THE ADMINISTRATOR**

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**ARTICLE 36.** The Condominium may be run by a natural person (Property Manager) or Company named by the Lot Owners who can be removed by the elected HOA Board, or the majority of the Lot Owners votes.

**ARTICLE 37.** The person(s) elected to be the Administrator must be up-to-date in all regular contributions and payments fixed by the General Assembly Lot Owners. S/he (Property Manager), or they (HOA Board), will prove to be a knowledgeable person for the position(s). Upon the majority elected approval, this last qualification requirement will not be necessary to prove.

**ARTICLE 38.** When a Company is named the Administrator, the pertinent Contract will be signed by the HOA President, or designee, of the Lot Owners Assembly. The Administrator (Property Manager) will be accountable to the HOA Board, and when requested, follow their directives on behalf of all Lot Owners.

**ARTICLE 39.** An Administrator/HOA Board of Directors will represent Estate Lot Owners in all common issues and authorized to retain an Attorney for legal disputes and delinquent collection purposes and to administer properties under the terms of Article 2468 from the State of Baja California Sur Civil Code, with power to represent all Lot Owners before all type of authorities such as Labor authorities, filing penal complaints or even becoming a policy authority collaborator.

**ARTICLE 40.** When a Lot Owner is named to be an Administrator (Property Manager) by the General assembly, it will be the General Assembly's decision to give him/her a salary. S/he may perform the Administrator's duties for free for the Estate's benefit. If a Company is appointed any fees paid will be approved by the General Assembly. A Fidelity Bond for the handling of funds will be required.

**ARTICLE 41.** The Administrator is in charge of putting into effect all

decisions made by the Lot Owners General Assembly and will verify proper accomplishment of the present By-Laws by all involved.

**ARTICLE 42.** The Administrator's main duties will be:

- a) Collect annual dues and designated charges set-up by the General Assembly.
- b) Perform legal action to collect overdue quotes or un-paid accounts for any other items.
- c) Carry over all expenses and activities previously approved by the General Assembly.
- d) Prepare written and financial reports, including Statements of Accounts required by a Lot Owners or the General Assembly.
- e) Be responsible for all accounting records for the Estate's operation, including the preparation of Profit & Loss statements.
- f) Select and remove all outside service personnel / suppliers etc.
- g) Coordinate the organization and Notice for the Lot Owners General Assembly Meetings.
- h) Verify and take the necessary action so that optimum aesthetic and functional conditions are always adhered to, for the Estate's benefit.
- i) Prepare the necessary reports required by the Oversight Committee.
- j) Carry out all activities delineated by Article 40 of the Law.
- k) Prepare and up-date common use inventories of movable property legally acquired.
- l) Include in the Agenda and take into account all Lot Owners suggestions or contributions.
- m) Carry over and up-date the General Assembly Minute Book.
- n) Take good care of the Condominium goods and common services, promoting integration, organization and community development.

- o) Prepare and up-date all documents and registers related with the Property management, all of which must be readily available and at sight for all Lot Owners.
- p) Be responsible for an efficient and adequate operation of the Estate general services and premises.
- q) Provide the Lot Owners with pertinent receipts for payment of maintenance, administration and the Condominium reserve fund.
- r) Organize, supervise and up-date all accounting records.
- s) Keep an up-dated record of Lease Contracts by Lot Owners, verifying these contracts are not against the rules, the Law, ethics and good behavior. When Lot Owners sign a Lease Contract for any of their properties, they are obliged to inform the General Assembly accordingly, turning over a copy for the administration files. The Administrator will not interfere with the Lot Owner and third party agreement, unless such a Contract is against what has been stipulated in the present By-Laws.
- t) Be responsible that risks affecting the Estate be covered by Insurance Policies.

**ARTICLE 43.** The Administrator's period will be a one-year period, being re-elected by the Lot Owners General Assembly approves. S/he, Company, or HOA Board, will still be performing his/her duties even if his period expired, until a new Administrator is in charge be named and assumes responsibilities. In the event when the HOA Board member is serving in an administrator capacity and resigns, the HOA Board by majority vote can appoint a temporary replacement to serve in that capacity until the next Lot Owners General Assembly.

**ARTICLE 44.** By majority of votes, the Lot Owners General Assembly is entitled to remove the Administrator in case s/he is proven not properly accomplishing his/her duties. Upon repeatedly non-accomplishment, two thirds of total Lot Owners will call for a General Assembly Meeting and vote for his/her removal

**ARTICLE 45.** The Administrator together with former Administrators will be responsible for any irregularities incurred if and when they are aware of those irregularities, s/he did not reasonably inform the General Assembly.

**ARTICLE 46.** Once his/her period has been expired, the Administrator will be responsible to present the General Assembly with the necessary documents and information involved while handling his/her duties.

**ARTICLE 47.** During his period, in case of being a natural person, the Administrator (Property Manager) will not be exempt from maintenance quota.

**ARTICLE 48.** The General Assembly will reimburse the Administrator all-reasonable expenses incurred by him or imposed whatsoever related with any action, lawsuit or procedure in which s/he has been involved as the Estate's Administrator. Not being the case if somebody claimed against him/her or if s/he has been proven guilty of negligence or misconduct. Reimbursement or indemnity will apply only if it is proven that the Administrator represented the best interests of the Condominium and/or Estate.

**ARTICLE 49.** The paid onsite/local Administrator may be absent from his/her duties only in the following cases:

A. Sick leave or accident    B. Vacation    C. Business affairs involved with the administration itself

The absence will not exceed a month in a one-year period. Non-compliance of this rule will call for removal and the appointment of a new Administrator. Should the Administrator be absent for any of above reasons s/he will name a person in charge.

## **OVERSIGHT COMMITTEE**

**ARTICLE 50.** The Lot Owners General Assembly will appoint an Oversight Committee consisting of a maximum of three Lot Owners. The purpose of this Oversight Committee will be to check upon the adequate accomplishment of the Administrator's duties. They have the Lot Owners authority to require from the Administrator accounts and/or reports with

related activities.

**ARTICLE 51.** The Oversight Committee will be formed by Lot Owners at the General Assembly Meeting after the election of HOA Board members. When the Administrator is the HOA Board itself, not a natural person, or Company, the Oversight Committee will consist of members other than those on the HOA Board to assure fair and objective scrutiny.

**ARTICLE 52.** Upon repeatedly non-accomplishment of their duties by the members of the Oversight Committee, the Lot Owners General Assembly is authorized to remove at one or all of the elected Oversight Committee by majority of votes.

**ARTICLE 53.** Besides the rights abovementioned, the Oversight Committee will have the ones already marked by Article 44 of the State of Baja California Sur Condominium & Property Law.

**ARTICLE 54.** The Oversight Committee will call for a General Assembly Meeting if and when the Lot Owners have requested so to the Administrator, and the Administrator has failed to take action within a period of three business days after having received such a request. Likewise, to the best of their judgment when they have identified serious irregularities by the Administrator, they may call for a General Assembly Meeting. The Administrator should be notified of the call so s/he may be present and prepared for the General Assembly.

The term for the Oversight Committee members will be a one-year period with ability to be re-elected.

## **COMMON AREAS**

**ARTICLE 55.** Each and every one of the Lot Owners is entitled to use common areas and enjoy outdoor and recreational areas, according to their use and destination.

**ARTICLE 56.** Common areas and premises are those that as a whole, by provision, belong to the Lot Owners. Their property and usage will be ruled by the Deeds, the Law and present By-Laws.

Property and common areas are defined as follows:

- a) The land, areas designed for vehicle parking in general, pedestrian and/or vehicle roads, plazas, the beach, beach access, gardens;
- b) The building elements such as foundations and structures, retaining walls, roofs, maintenance works to be further done for stability, security and improvement purposes.
- c) Works, installations, appliances or fixtures and other properties of common use such as pits, wells, water tanks, reservoirs, pumps and motors; water piping, drainage, heating, electricity and gas; business spaces (when they exist) and security works, ornament works and other installations with the exception of those for the Lot Owner' s exclusive use;
- d) Administration, Security and Oversight areas; service and maintenance areas; communication areas, reception, social meetings, recreational and sport areas; and
- e) Any other areas part of the land, structure, installations so established as per the incorporation Deeds, the Law and present By-Laws.

**ARTICLE 57.** Notwithstanding, when a Lot Owner refuses the rights to which he is entitled to or refuses to use common areas, s/he will still be subject to the obligations imposed by means of the present By-Laws.

**ARTICLE 58.** Unreasonable damages to common areas caused by the Lot Owners or their Tenants will be repaired at their expense Repairs for hidden hydraulic and/or electric installations will be at all Lot Owners expense proportionally at the provision that each property has, with regard to the Condominium as a whole.

**ARTICLE 59.** The Lot Owners will not undertake nor permit his/her Tenants to undertake any action against the quiet atmosphere, ethics and the general appearance of the Estate.

**ARTICLE 60.** All Lot Owners will take good care of common areas and remove all articles, trash and debris they brought so these areas remain clean.

**ARTICLE 61.** No occupant is supposed to block traffic, entrances, main roads or gardens by leaving objects or vehicles that block or mean an intrusion and misuse of common areas.

**ARTICLE 62.** The General Assembly will take the necessary steps so that handicapped persons are provided reasonable access to common areas according Mexican law.

**ARTICLE 63.** Every Lot Owner and occupant is responsible for his/her own visitors or personnel allowed by him into the Estate such as maids, service personnel, and his/her family all of them to be aware of all restrictions.

**ARTICLE 64.** Water piping, gas, electricity and telephone wiring that are placed in the Lot ownership place will only belong to the Lot they give service to, if and when they are not lines or common service piping. Likewise walls dividing part of the buildings will be a common property between the owners of those private areas.

**ARTICLE 65.** The Lot ownership of common areas is not susceptible of division, nor can they be alienated or transferred except in those cases foreseen by Law and the present By-Laws.

**ARTICLE 66.** No Lot Owner is allowed to perform work or build in common areas.

**ARTICLE 67.** For large gatherings, twenty (20) or more people, occurring at the beach area, the Lot Owner should request in writing authorization by the Administrator at least a two weeks before the event; for this purpose it is necessary to explain date and duration of the event, type of drinks and approximate number of guests. The Lot Owner will sign a document agreement

that as the event sponsor s/he will be responsible for any garbage disposal and damages caused to the beach and common areas, and/or other Lot Owners properties.

## **TURTLES AND OTHER ANIMALS**

**ARTICLE 68.** All Lot Owners will take care not to disturb turtle nests, observe the beach sign notices and help them develop safely and naturally



along the federal sea land adjacent to Lighthouse Point Estates. People who are found infringing these warnings are to be reported and subsequently will receive governmental fines. Upon intentional and negligent persistence, the Assembly will present a report at the Environment Protection Secretariat.

The General Assembly will determine the necessary measures and restrictions with regard to animal's possession within the Lot Owners property as well as in the common areas, and pertinent reasonable penalties will be applied those who violate the established rules.

**ARTICLE 69.** All Lot Owners are allowed to have pets within their own property. Domestic animals are not to unreasonably interfere with the quiet atmosphere and security of other Lot Owners.

**ARTICLE 70.** Lot Owners will not leave their pets unaccompanied outside of their properties. Pets will be allowed to remain in common areas with dog leash and when accompanied by their masters. A leash is not required if the dog is under the reasonable control of their master and does not impose a threat or annoyance to other persons.

**ARTICLE 71.** When pets defecate in common areas the animal's master is required to promptly collect, remove and dispose of feces. Otherwise, the Lot Owner will be imposed a \$ 50.00 US Dollar fine.

**ARTICLE 72.** A person who is negatively affected by any animal aggressiveness or annoyance is requested to present an immediate complaint to the Administrator, or Security, so that the necessary measures can be taken to protect others. If the animal is not a stray, but belongs to a Lot Owner who did not take the necessary precautions to reasonably control their animal, the animal's owner may be warned or be penalized, depending upon the actual or potential harm.

**ARTICLE 73.** The Administrator is the primary person(s) in charge of solving conflicts or disputes with regard to common areas, always under the terms of present By-Laws, to the best interests and welfare of the Estate's inhabitants. Members are to abide by Security directives in the case of altercations to promote peace and tranquility.

The claimer will present a written report to the Administrator, who will solve the situation, or call for a General Assembly Meeting if s/he deems it necessary.

## **SANCTIONS AND APPEALS**

### **ARTICLE 74.**

In case of violations and non compliance to obligations imposed by present By Laws, the incorporation Deeds and Law authorizes the General Assembly and the Administrator to:

- . a) Present a written admonition.
- . b) Expel any visitors from the Estates or restrict their privilege to visit.
- . c) Apply a reasonable fine.
- . d) Fines imposed will be added to the annual property dues with explanation.
- . e) Place a lien and associated legal expense to do so upon the Lot Owner with delinquent overdue accounts established by present By-Laws with formalities ruled by Article 47 of the Law. A delinquent overdue account is established at one-year late payment of annual dues. A motion for a lien will be initiated after notice to the Lot Owner that they are delinquent. Formalities to place a lien will be initiated at 1.5 years of delinquent payment of annual dues.
- . f) Expel Lot Owners by assigning his/her rights over any lots of his/her own in the Estate, under formalities of Article 48 of Law.

The objective of rules, regulations and dealing with their violations is to gain willing compliance for the greater good for the greater number, not to impose penalties. Penalties are used as a necessary and reasonable measure to deal with serious violations, repeat violations and those people who disregard the established Lighthouse Point Estates community standards.

Misconduct within the Estate may receive warnings by the General Assembly who ultimately will have the right to decide which of above sanctions will be

applied as the case may be. Those who have received sanctions from the Administrator can appeal in writing or person to the General Assembly at the Annual Meeting for a waiver of sanctions. Waiver will be determined by a majority vote. This will afford fairness and due process to all Lot Owners.

Independently from sanctions provided by the present By-Laws, the Lot Owner not complying with rulings and regulations will be responsible for damages to others under the governing terms provided by Civil Law.

The Lot Owners General Assembly will have the right to minimize or revoke sanctions upon the concerned party's request. This request must be presented in writing within 30 days before the General Assembly Annual Meeting to be placed on the agenda. Any modification to the sanction in question will be carried out when the General Assembly votes to determine reasonableness of the imposed sanction.

**TEMPORARY CLAUSES FIRST.** Present Lot Owners By-Laws will be officially put into effect the

following day of its approval by the Lot Owners General Assembly.

**SECOND.** All the Estate's Lot Owners, Tenants, Occupants and Visitors must comply with the regulations set forth in this document.

**THIRD.** Present By-Laws to be duly authorized, publicly released and placed to the sight of all involved, every Lot Owner to be notified and copied.

**FOURTH.** Present By-Laws have been prepared both in English and Spanish. In the case of legal controversy the Spanish version will prevail in accordance with Mexican Law. =====

Last Revised November 14, 2009

Highlight indicates changes made as a result of the HOA Annual Meeting