

LOA

*Association de Proprietarios
de la Peninsula de Juluapan, A.C.*

Covenants & Restrictions



*As In Effect
1 January, 2006*

Key To Regulations:

The terms that follow are provided as a key to interpreting these regulations:

Owner: The person or company named on title or trust documents of one or more private areas within LOA.

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

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

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

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

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

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

NOTE:

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

Section 1

OWNERSHIP

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

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

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

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

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

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

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

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

Section 2:

USE

2.1 SINGLE FAMILY RESIDENTIAL: Eighty Percent (80%) of the lots in LOA Phase I shall be comprised of single-family residential homes with a minimum of 150 Meters Square (Aprox 1,600 Square Feet) of covered living space. In addition to a primary residence, Owners may elect to include up to, but not more than, two guest “casitas”. Each casita shall not exceed 56 Meters Square (Aprox. 600 Square Feet) in enclosed space. A “casita” shall be defined as a semi-attached or freestanding structure with a combined living/sleeping room, bathroom and may include a small kitchen.

2.2 MULTIPLE FAMILY RESIDENTIAL: Twenty Percent (20%) of the lots may be comprised of multiple family residential constructions, not to exceed four units per lot. Lots must total at least 1,000 meters square, or combined adjacent lots that total at least 1,000 meters square to qualify for Multiple Family Residential use.

2.3 RESIDENTIAL TOURISM USE: The lots inside LOA phase I shall be used *exclusively for residential tourism purposes*. This includes *owner occupied and operated Bed & Breakfast* home stays not exceeding 8 bedrooms. A “Home Office” not exceeding eighteen (18) meters square is permitted, provided no client visits are involved. All other forms of business activities are strictly forbidden and may not be conducted on any lot.

2.4 BEDROOMS: A maximum of 8 (Eight) bedrooms is permitted on lots with single-family residential construction. A “casita” is considered as a bedroom for the purpose of establishing this limitation.

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

2.6 GARAGES: A Minimum of one (1) enclosed garage or covered carport capable of containing two (2) standard vehicles in a minimum area of 5.0 meters wide by 6.0 meters long is required. In the event no walls occur, the edge of the roof shall be used in establishing the required setback.

2.7 ON-SITE PARKING: must be provided. Considerations must be given to the number of occupants the residence and employee’ quarters are able to accommodate. Occasional guest parking may overflow into the adjacent street.

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

Section 3

RESTRICTIONS

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

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

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

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

3.5 GARBAGE & TRASH: All garbage must be stored in approved receptacles that are animal resistant. Garbage receptacles shall be enclosed in a masonry structure built at the owner’s expense and located on the owner’s lot. The type and location of the structure must be such as to provide a sanitary place for retaining refuse until collection time. The enclosure must permit easy collection and disposal of refuse. If possible, it should include a water tap so the enclosure and receptacles can be kept clean. See Construction section for detailed explanation of required garbage enclosures. *Burning refuse of any kind is not permitted at any time.*

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

3.7 ON-GOING MAINTENANCE & REPAIR: Owners are responsible for on-going maintenance and repair of all structures on their property. The owner must carry out all work and pay all rates, taxes, licenses and charges as required by public and local authority in respect to her/her own lot. Owners and residents must maintain their private properties in good condition, both esthetically and functionally. Should an owner refuse to do so, LOA must advise him/her, in

writing, of the things to be done and grant him/her reasonable time to comply, after which time LOA is legally empowered to contract the repairs needed at the expense of the owner and under the protection of the law.

3.8 MOSQUITO CONTROL: To prevent and control mosquitoes, no Owner shall allow *standing* water to remain on their property. This includes swimming pools and spas that are not filtered daily.

3.9 PARKING: Owners or tenants must park all motor vehicles, recreational vehicles, trailers, boats, etc. within the confines of their own property.

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

3.11 LANDSCAPE MAINTENANCE: Owners shall maintain the landscaping, gardens and vegetation on their property in an attractive and neat condition. Dead plants and trees shall be removed and replaced in a timely manner. All landscape debris shall be removed from the premises and disposed of at an approved area. No landscape debris shall be placed or stored on adjacent lots. The regular, scheduled garbage service does not include removal of landscape debris. Owners should contract individually with the refuse people to remove and dispose of landscape debris at their own expense. For assistance with this, contact LOA for telephone and contact information.

Section 4

CONSTRUCTION

4.1 EXISTING HOMES: that have been *completed* and *occupied* prior to 1 January, 2006 shall be considered as “conforming” and *not* required to meet construction rules outlined here. Lot Owners with officially approved and permitted architectural plans dated prior to 1, January, 2006 shall also be considered as “conforming” provided foundation and structural construction starts prior to 1 June, 2006.

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

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

4.3 SEISMIC & TROPICAL WEATHER: The lots in LOA are located in an active seismic and tropical storm area. All structures must conform to earthquake and hurricane codes. Owners are encouraged to have the steel and concrete used in their homes engineered to comply with or exceed the Kobe, Japan Standards developed after their 1995 earthquake.

4.4 LOT COVERAGE: shall *not exceed* 40% with structures with the 60% or more remaining as gardens and green areas. Swimming pools, open palapas and uncovered terraces shall be considered as part of the 60% reserved for garden and green areas. The LOA Design Review committee may make exceptions to the above requirements on small or unusual lots.

4.5 MATERIALS: All structures erected on Association lots shall be constructed from steel reinforced concrete , brick and glass. Roofs shall be constructed from steel reinforced concrete covered using an appropriate waterproofing method and painted or covered with clay or ceramic tiles. Wood beams covered with clay or ceramic tile and Palapas may also be used for roofing at the Owner’s option. Window and door glass shall have a minimum of .6 mm thickness.

4.6 DESIGN REVIEW: Prior to commencement of construction, a complete set of plans including exterior finish colors shall be submitted to the LOA DESIGN REVIEW COMMITTEE for approval and to check for compliance with the rules and regulations.

4.7 SETBACKS:

- A. A minimum of 2-meter setback is required for any construction from the front of the property line.
- B. A minimum of 1.5-meter setback is required for any construction from the back of the property line.
- C. A minimum of 1-meter setback is required for any construction from the sides of the property line.
- D. Fence height is restricted to a maximum of 3 meters in height.
- E. Fences are not included in the setback restrictions.
- F. It is understood that any additions or add-ons to your home such as sunshades, terraces, balconies, etc. shall conform to these setbacks.

4.8 FENCES AND WALLS: The owner of a lot, which is adjoining another, shall not construct a fence or outer wall centered on the property line without written consent from his neighbors. Both lot owners shall stipulate, in writing, their agreement between both of them to avoid future problems regarding their property.

4.9 TIME: Home construction must be completed no later than 24 (twenty-four) months from the date of start of construction. This includes all finishing and painting of exterior surfaces including fences and unattached buildings.

4.10 PERFORMANCE GUARANTEE BOND: Prior to any construction activities, the Owner(s) shall furnish the Association with a Five-Thousand-Dollar (\$5,000.00 US) / Fifty-Two-Thousand-Five-Hundred Pesos (\$52,500.00 Mexico Pesos) Performance Guarantee Bond in the Association's name. The bond shall be purchased from a company to be designated by the Association. Should the Owner violate any portion of the Section 4 - Construction rules and regulations, the Association shall notify the Owner or his/her Contractor of the violation and allow reasonable time for the violation to be remedied. If a remedy is not completed within a reasonable amount of time, the Association may then demand performance and full payment on the bond and use said funds to remedy the violation(s) then outstanding. The purchase of and/or demand on the Performance Guarantee Bond in no way relieves the Owner of his/her responsibilities under the Covenants & Restrictions and the Association may seek additional monetary relief if the amount of damages exceeds those covered by the bond.

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

4.12 STORING MATERIALS AND EQUIPMENT: If an owner should have the need to temporarily use the adjacent Green Area and/or adjacent private lots to facilitate construction on the property, he/she must obtain written authorization from LOA and/or the owner of the private lot(s) respectively, and return the

affected property to its original state, within thirty (30) days of the completion of the project or when so requested by the affected private property owner or LOA. Failure to effectively respond may cause LOA to remedy the condition and submit a statement to the offending parties for all applicable costs.

4.13 USING ROADS: In the event it becomes necessary during the course of construction work to make use of part of the street, any equipment or materials located there shall not interfere with the free circulation of vehicles or foot traffic. In no case shall the construction use the whole street hindering the public traffic. The Association may legally remove at the Owner's expense, all equipment or materials from the public ways interfering with the free circulation of vehicles and people, and even stop construction until the situation is corrected.

4.14 ROADS DAMAGE DURING CONSTRUCTION: The road surface leading to the construction site and around it shall be maintained and returned to its original or better condition within thirty (30) days of the completion of construction.

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

4.16 CONSTRUCTION DEBRIS: Contractors and Owners must remove all refuse and construction debris on a weekly basis. The debris must be disposed of in an approved area. No debris shall be discarded on roadsides, other lots, green areas or into the sea.

4.17 TEMPORARY SANITARY FACILITIES: The persons responsible for all construction shall provide adequate sanitary facilities for the work force, within the project area. Using adjacent land and/or Green Areas as the depository of human waste and to cause disturbance to neighboring property owners in depositing of human waste shall be strictly avoided. It shall be the responsibility of the offending property Owner and his assigns to clean up any offense of this regulation.

4.18 UTILITIES: It shall be the owner's responsibility to contract directly with CFE for installation of electricity and Telmex for installation of telephone lines. All services, including water, electricity and gas shall have visible disconnects and/or shut-off valves as applicable for emergency and control. Wherever possible, all lines should be located underground. If any services to any residence are installed incorrectly or are deemed defective so as to cause hardship to neighboring properties or common properties, all service to this residence will be suspended and will not be renewed until proper repairs are complete.

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

4.20 SEWAGE TREATMENT: All septic tanks and leach field systems must be underground, built and located to municipal standards.

4.21 WASTE WATER DISPOSAL: Owners are encouraged to separate toilet waste from gray water and recycle gray water for use watering landscape, gardens and plants. Gray water tanks and distribution systems must be located underground and be designed to prevent gray water exposure to air, thus preventing health hazards.

4.22 POTABLE WATER STORAGE: All homes must have a minimum of 2,500 liters of potable water storage, preferably located in underground tanks approved for the storage of drinking water. In ground potable water storage tanks should not be located near septic tanks and leach field systems that dispose of toilet and gray wastewater. Should a homeowner wish to include roof-mounted or freestanding water tanks in their design, they must be placed in an attractive enclosure so they are not visible to any other homes and appear to be design elements and enhance the look of the structure and surrounding areas. Owners are encouraged to plumb swimming pools so water from the pool can be used in their home during a prolonged earthquake or hurricane emergency.

4.23 RETAINING WALLS: Retaining walls adequate for land with slopes, shall be designed by the project Architect and/or Engineer based on the conditions found at each specific lot.

4.24 FOUNDATIONS: Foundations shall be adequately designed by the Project Architect and/or Engineer, based on the soil and rock conditions found on each specific lot.

4.25 RAIN WATER RUN OFF: Rain water run-off systems shall be designed by the project Architect and/or Engineer based on the conditions found at each specific lot. These systems shall confine rain water run-off to the lot under development and provide a permanent method for water to exit the lot without causing erosion or damage on any adjacent lot or Green Area.

4.26 EROSION CONTROL: Any slopes remaining or developed after construction of the foundation including the building pad must be re-covered by means of a strengthening combination of stone and gravel mixture and/or appropriate landscape vegetation to prevent erosion by exposure to rain and humidity.

4.27 TRASH ENCLOSURES: Each residence shall provide and maintain an enclosed trash area. Such area shall be a minimum of 1.0-meter square and shall be surrounded with walls a minimum of 2.0 meters high. Openings shall be provided with a solid metal door with latch to keep the door in a closed position. When the interior is visible from properties above, an appropriate roof shall be constructed. This structure shall be designed as part of the other structures and shall be treated with the same architectural treatment.

4.28 FINAL DEBRIS REMOVAL: Within 72 hours after completing construction, any materials left over, the scaffolds, and any other machinery or

supplies shall be removed. The public way and Green areas shall be free of any obstacles and restored to the same, or better condition than it was at the start of construction.

4.29 TERMINATION OF CONSTRUCTION: Once construction has been concluded, the Owner, Architect or designee of the Owner shall file a notice of substantial completion with the official authority as required.