

-----HACIENDAS PALO VERDE-----

-----CONDOMINIUM BYLAWS-----

-----LA PAZ, BAJA CALIFORNIA SUR-----

-----CHAPTER I-----

ARTICLE 1. - ESTABLISHING THE CONDOMINIUM SYSTEM.

1.1 Condominium Haciendas Palo Verde with a total surface area of 24-90-83 hectares (twenty-four hectares, ninety areas, eighty-three hectares) the measurements and boundaries of which are contained in the descriptions, plans and designs included in the Condominium System Deed, consisting of private area, common area and service area lots and concessioned federal zones, which are constituted through notarized deed 39,160, volume 1291, granted by the certification of Lic. Jorge L. Alvarez Gámez, Notary Public Number Eleven in the State of Baja California Sur, in accordance with article 956 of the Civil Code for the State of Baja California Sur (from this point on referred to as the "Civil Code"), and the Condominium Property System Law of the State of Baja California Sur (the "Law").

ARTICLE 2. - APPLICABLE LEGAL DISPOSITIONS.

2.1. The legal dispositions indicated in article 956 of the Civil Code are applicable to the present Bylaws, as well as those indicated in the Law, including their transitory articles.

2.2. The Bylaws will be governed by the Applicable Dispositions.

ARTICLE 3. - PARTIES SUBJECT TO COMPLIANCE OF THE BYLAWS.

3.1. The following persons are obligated by and subject to the Bylaws, to the legal dispositions indicated in articles 1 and 2 of the present Bylaws, and to any resolution of the Property Owners Assembly, the Oversight Committee, the Design Review Committee and the Administrator of Condominium Haciendas Palo Verde:

- (a) The Property Owners;
- (b) The Occupants;
- (c) The Property Owners Assembly;
- (d) The Oversight Committee;
- (e) The Design Review Committee;
- (f) The Administrator;
- (g) The Service Personnel;
- (h) The Declarant; consisting of the company Promotora Palo Verde S.A. de C.V., or its successor.

-----CHAPTER II-----

-----DEFINITIONS-----

ARTICLE 4. - DEFINITIONS OF TERMS UTILIZED.

Unless the text of the Bylaws clearly indicates the contrary, the following terms are defined as:

4.1. "Administrator". Will refer to the physical or moral person designated by the Declarant, and subsequently that person designated by the Property Owners Assembly, that will be authorized to operate, maintain, repair and manage Common Areas and Common Assets of Condominium Haciendas Palo Verde and to enforce the present Bylaws and the Design Guidelines, as established in article 12 of the present Bylaws.

4.2. "Applicable Dispositions". Will refer to the Law, the Civil Code, the Condominium System and these Bylaws.

4.3. "Property Owners Assembly". Will refer to the congregation of Property Owners constituting the maximum authority of Condominium Haciendas Palo Verde.

4.4. "Common Areas". Will refer to those areas within Condominium Haciendas Palo Verde including streets, walkways, easements for wiring of services, open spaces and areas of common use necessary for access, service, convenience, appearance, recreation and safety that are common property in proportion to the Pro Indiviso represented by each Individual Condominium Unit of Condominium Haciendas Palo Verde, whose use, enjoyment and responsibility of maintenance are shared by all Property Owners of Haciendas Palo Verde.

4.5. "Common Assets". Will refer to all the buildings and equipment within Condominium Haciendas Palo Verde, that are common property in proportion to the Pro Indiviso represented by each Individual Condominium Unit of Condominium Haciendas Palo Verde, and whose use, enjoyment, and responsibility of maintenance are shared by all present and future Property Owners of Condominium Haciendas Palo Verde.

4.6. "Property Owner". Will refer to one or more physical or moral persons that are, jointly or separately, the registered property owner before the Administrator with legal title to one or several Individual Condominium Units within Condominium Haciendas Palo Verde, or that are trustees of the same.

4.7. "Contributions". Will refer to the following fees:

- (a) "Ordinary Contributions" will refer to the ongoing dues that the Property Owners will pay for administration and maintenance of Common Areas and Common Assets and those amounts that must be covered for the creation of reserve funds (the "reserve fund") and any other funds that the Property Owners Assembly or the Administrator may determine to cover unforeseen additional expenses, as established in article 11 of the present Bylaws.
- (b) "Contributions for Improvements" will refer to a special fee to cover construction costs of any improvement, installation or equipment that form part of Common Areas and Common Assets as established in article 11 of the present Bylaws.
- (c) "Extraordinary Contributions" will refer to any amount to be paid by the Property Owners to cover emergency expenses, repairs, and unforeseen reconstruction incurred in Common Areas and to Common Assets of Condominium Haciendas Palo Verde, as established in article 11 of the present Bylaws.
- (d) "Contributions for Services" will refer to budget costs of exclusively 50% (12 hours) of contracted private security, 100% direct cost of water pumping (electricity and maintenance) and 100% cost garbage collection.
- (e) "Contributions by Fines" will refer to any charge or penalty imposed by the Administrator to any Property Owner due to:
 - (1) Failure to make contribution payments in a timely fashion.
 - (2) Any expense incurred by Condominium Haciendas Palo Verde and/or the Administrator due to Property Owners' failure to comply with the present Bylaws.
 - (3) Expenses incurred by Condominium Haciendas Palo Verde and/or the Administrator for repairs of any damage caused by a Property Owner or by their Occupant to any part of Common Areas or Common Assets.
 - (4) Expenses incurred by Condominium Haciendas Palo Verde and/or the Administrator for mandatory enforcement of the Bylaws or the Design Guidelines with respect to a Property Owner.

4.8. "Concessioned Federal Zone". Will refer to any area along an arroyo that is designated property of the Federal Government.

4.9. “Fiduciary”. Will refer to a Mexican banking institution, acting in conformity with its fiduciary capacity as proprietor of an Individual Condominium Unit for the benefit of a Property Owner.

4.10. “Improvements”. Will refer to all structures and accessories of any nature including but not limited to: buildings, additions, stairs, palapas, doorways, patios, covers, garages, driveways, roads, walkways, parking areas, fences, entrance gates, security gates, guard shacks, signage, retaining walls, swimming pools and other recreation installations, gardens, showers, plants, trees, bushes, grass, poles, water, sewage and electrical cable, installations for trash collection, sewage systems and other systems for services, exterior lighting, exterior tanks, solar energy systems, exterior antennas, satellite dishes, water systems and equipment and any other improvements, repairs and modifications of any nature.

4.11. “Individual Condominium Unit”. Will refer to an individual lot located within Condominium Haciendas Palo Verde.

4.12. “Master Plan”. Will refer to the complete plan that indicates the manner in which the areas are organized such as Private Areas, Common Areas, Service Areas, Concessioned Federal Zones, transit roads, thoroughfares, and infrastructure that make up Condominium Haciendas Palo Verde.

4.13. “Occupant”. Will refer to a Property Owner or any physical person to whom a Property Owner delegates his rights of use and enjoyment of his Individual Condominium Unit, including but not limited to: members of his family, guests, lessees, and any other person with authorization of the Property Owner.

4.14. “Rules of Operation”. Will refer to those rules adopted and modified by the Administrator, to operate and regulate the use of Common Areas in accordance with that stipulated by article 16 of the present Bylaws.

4.15. “Design Guidelines”. Will refer to those norms established for site layout and the exterior design of all the buildings, landscaping, swimming pools, exterior mechanical equipment, lighting, signage, and any other construction, addition, change, repair or maintenance made within Condominium Haciendas Palo Verde, in conformity with that stipulated in article 12 of the present Bylaws.

4.16. “Design Review Committee”. Will refer to the committee designated by the Administrator that will be in charge of reviewing and approving the design and construction proposals within Condominium Haciendas Palo Verde insuring compliance with the Design Guidelines, in accordance with that stipulated by article 12 of the present Bylaws.

4.17. “Condominium Haciendas Palo Verde”. Will refer to the system of condominium property established for the Haciendas Palo Verde development with Private Areas, Common Areas, Service Areas, and Concessioned Federal Zones, which is located in the city of La Paz, Baja California Sur (“B. C. S.”), United Mexican States (“México”).

4.18. “Condominium System”. Will refer to the deed of the Condominium System of Haciendas Palo Verde as describe in article 1 of the present Bylaws.

4.19. “Private Areas”. Will refer to those Individual Condominium Units designated as express private property of a Property Owner.

4.20. “Service Areas”. Will refer to those areas designated for services including roads, water channels and other infrastructure whether property of Condominium Haciendas Palo Verde or of the Municipal, State, or Federal Governmental Agencies.

4.21. “Services”. Will refer to services such as infrastructure and water, which are provided by the Haciendas Palo Verde development itself, without including the services of electrical energy or gas,

which must be contracted individually by each Property Owner.

4.22. “Haciendas Palo Verde Homeowners Association, A.C.”. Will refer to the non-profit society that has been created under Mexican laws of the State of Baja California Sur, composed of Property Owners as members, for the purpose of exercising the faculties and functions of Condominium Haciendas Palo Verde. The president, secretary and treasurer of its Oversight Committee will form the Oversight Committee.

4.23. “Bylaws”. Will refer to the bylaws and rules contained in the present document which govern Condominium Haciendas Palo Verde.

4.24. “Oversight Committee”. Will refer to the Oversight Committee formed by three persons; president, secretary and treasurer of the society Haciendas Palo Verde Homeowners Association, A.C., initially designated by the Declarant and subsequently by the Property Owners Assembly; said committee will verify that the Administrator complies with the resolutions adopted by the Property Owners Assembly and with the obligation of maintaining, repairing and managing Common Areas, as well as protecting the interests of Condominium Haciendas Palo Verde.

4.25. “Pro Indiviso”. Will refer to the percentage of co-ownership represented by each Individual Condominium Unit over Common Areas and Common Assets for purposes of titling.

4.26. “Table of Pro Indivisos”. Will refer to the list of Pro Indivisos and uses that correspond individually to each Individual Condominium Unit.

-----**CHAPTER III**-----

-----**USE OF THE PROPERTY**-----

ARTICLE 5. - COMPOSITION OF THE CONDOMINIUM.

5.1. For the effects of these Bylaws, Condominium Haciendas Palo Verde is divided up as described in the following:

- (a) Private Areas;
- (b) Common Areas and Common Assets;
- (c) Service Areas;
- (d) Concessioned Federal Zones;

5.2. Private Areas.

The Private Areas are composed of the Individual Condominium Units within Condominium Haciendas Palo Verde acquired, utilized and enjoyed by Property Owners or Occupants as the case may be, in conformity with the Law, the Civil Code, the Condominium System and the present Bylaws.

5.3. Common Areas and Common Assets.

Common Areas and Common Assets are those units designated as areas and assets of common use necessary for access, services, convenience, appearance, recreation and security within Condominium Haciendas Palo Verde, in conformity with the Applicable Dispositions. The following assets, together with those assets established in applicable dispositions, will be considered common property of present or future Property Owners and will constitute Common Areas and Common Assets;

- (a) Streets, access roads, non-exclusive parking areas, transit areas, drainage channels, natural reserves, landscaping and open spaces, except when they are located within private or service areas.

- (b) The administration area, guard shacks and maintenance installations, equipment of any other installation for general and special services within Condominium Haciendas Palo Verde.

(c) All infrastructure located within Condominium Haciendas Palo Verde necessary for maintenance of Common Areas and Common Assets, including storage tanks, mechanical equipment areas, wiring or electrical tubing, water and sewage, cables, and other installations wherever they are located, and the property where said installations are located. Common Areas and Common Assets under no circumstances may be divided or modified with respect to their form, construction, design, or use, if it is not expressly authorized by a resolution adopted by the Property Owners Assembly, in accordance with what is stipulated in article 13 of the present Bylaws, or instituted by the Declarant.

5.4. Service Areas.

Service Areas will be areas of property as defined in paragraph 4.20 of the present Bylaws.

5.5. Concessioned Federal Zones.

Concessioned Federal Zones will be the areas of property as defined in paragraph 4.8 of the present Bylaws.

ARTICLE 6.- RESTRICTIONS ON PROPERTY USE.

6.1. General restrictions of Condominium Haciendas Palo Verde.

Use and enjoyment of all condominium units is subject to limitations and restrictions. The application of these limitations and restrictions will be interpreted by the Property Owners Assembly, who may eliminate all or some of the limitations and restrictions, in case that in any given circumstance, they would be considered inappropriate. Said interpretation or elimination must be established in writing; verbal interpretations and eliminations will not be considered valid. The elimination of any particular limitation or restriction of the Bylaws or the Design Guidelines will not affect the validity of any other rule, bylaw or design guideline which will remain in force.

6.2. Property Owners are obligated to comply in ecological matters, with what is established in the General Law of Ecological Equilibrium and Protection of the Environment for the State of Baja California Sur, and by SEMARNAT, in order to carry on the transplantation of protected cactuses and plants and integrate into their development those determined by the proper authority.

6.3. Property Owners are obligated in at least 50% of the total surface area of the property, to keep from altering the natural condition in which the vegetation is found on the property.

6.4. Property Owners are obligated to obtain written approval from the Design Review Committee before initiating any construction within the property.

6.5. Property Owners are obligated to keep from using the property for purposes other than singlefamily residential. Commercial use of property is prohibited, with the exception of residential rental or a home based office where client visitations do not disturb the neighborhood.

6.6. Lots 17-42 will be accessed only by Vista Mar street. Property Owners of lots 17-29 are required to conserve and maintain or improve upon the neighborhood perimeter fence. Property Owners of lots 17 and 18 must not alter the rock wall entrance.

6.7. During, and not before, the process of construction, Property Owners may use a trailer, camper or motorhome as provisional housing within their property. Once the construction is completed, the previously described dwelling may only be inhabited for a maximum period of four weeks per year.

6.8. Property Owners will limit themselves to a maximum combination of 4 vehicles, cars, trucks, RVs, trailers or vessels per lot in order to maintain harmony within Condominium Haciendas Palo Verde. Vehicles in disrepair may only be kept in a garage.

6.9. Property Owners, from 10:00 pm to 8:00 am, should reduce the volume of whatever produces noise to a level that cannot be heard from the nearest neighboring home, in order to maintain the tranquility of the community.

6.10. All signs, including site entry, address, directional, regulatory, service area, construction, and temporary signs must be designed to fit with the overall architectural theme of Condominium Haciendas Palo Verde. Signs meant for political, religious, commercial, special interest, or any other purpose not congruent with residential living are prohibited. Property "for-sale" signs are permitted.

6.11. The main entrance gate will be operated at all times by an independent private security service, which will be contracted by the administrator. Ordinary contributions shall cover 50% (12 hours) of the cost of security guard services.

The cost of private security service for the remaining twelve hours will be applied to Contributions for Services to be compulsorily paid equally by homeowners. It is understood that these dues start to be charged on the date of approval of construction by the architectural review committee.

It is established that the private security service should be contracted by the same provider for the entire 24 hours.

6.12. Access by government agencies and emergency services will not be denied (Federal, State, Municipal and others such as medical emergency staff, firemen, Federal Electric Commission personnel, mailmen, and garbage collection trucks). For this purpose there will be a clearly visible and lit emergency button that may be activated by government agencies and emergency services that will open the gate and activate an alarm.

6.13. The Declarant reserves the right of easement along the 2 meter border of any lot, to install infrastructure such as electrical cables, potable water, telephone, internet, etc. This will be done in such a way as to minimize the environmental impact to the property.

6.14. It is prohibited to plant trees or any other type of vegetation in locations where due to height or shape, may obstruct the view of other Property Owners. In the event that a controversy would arise between Property Owners with respect to the obstruction of the view, said controversy will be submitted to the consideration of the Design Review Committee, whose decision in said cases will be final and irrefutable. The Administrator will make his best effort to ensure that the vegetation within the area of Condominium Haciendas Palo Verde is frequently trimmed to ensure that the panoramic view of the Property Owners will not be obstructed.

6.15. The individual water supply systems, sewage, or septic tanks within any Individual Condominium Unit, must be designed, located, built and equipped in accordance with the requirements, guidelines and recommendations of SEMARNAT, the National Water Commission, the Design Guidelines, SAPA and any other relevant authority.

6.16. No Property Owner may under any form or circumstance subdivide his Individual Condominium Unit.

-----**CHAPTER IV**-----

-----**FINES**-----

ARTICLE 7.- APPLICATION OF FINES.

7.1. For failing to comply and violating the present Bylaws and/or Rules of Operation, the following penalties will be applied:

- (a) The First admonition of non-compliance will result in a warning letter. The Property Owner will have ten (10) calendar days, from the moment of receipt of said letter to comply and rectify.

(b) The Second violation or non-compliance, identical or similar to the previous, will be punished with a fine of **\$500.00 pesos** (five hundred pesos 00/100 Mexican National Currency), payment must be carried out within ten (10) calendar days following the date of notification.

(c) The Third violation for non-compliance, identical or similar to the previous, will be punished with a fine in the amount of **\$1,000.00 pesos** (one thousand pesos 00/100 Mexican National Currency), payment must be carried out within ten (10) calendar days following the date of notification.

(d) The Fourth or more violations or non-compliances identical or similar to the previous will be punished with a fine in the amount of **\$2,000.00 pesos** (two thousand pesos 00/100 Mexican National Currency), the payment must be carried out within ten (10) calendar days following the date of notification.

(e) In the event of a Fourth Violation or non-compliance identical or similar to the 3 previous, a judicial lawsuit of the Property Owner will be filed to demand compliance of the present Bylaws.

(f) Property Owners that fail to pay any contributions may not vote in the Property Owners Assembly and will pay moratorium interests over the amounts at a rate of 10% monthly until contributions owed are paid in full.

-----**CHAPTER V**-----

-----**RIGHTS AND OBLIGATIONS OF**-----

-----**PROPERTY OWNERS AND OCCUPANTS**-----

ARTICLE 8. - RIGHTS OF PROPERTY OWNERS AND OCCUPANTS.

8.1. Property Owners and Occupants will have the right to use and enjoy their Individual Condominium Units in accordance with the Applicable Dispositions, Rules of Operation adopted by the Administrator, and in such manner as to not adversely affect the rights of other Property Owners and Occupants.

8.2. Property Owners may lease, sell, mortgage or in any way encumber their property rights, subjecting themselves to the limitations and conditions stipulated by the Applicable Dispositions. However, under no circumstances may they close a sale or resale until the Property Owner is within the possibility of making it evident that he has obtained all and each one of the authorizations required and granted by the Design Review Committee and until he has covered the corresponding contributions to Condominium Haciendas Palo Verde.

8.3. Property Owners may utilize or enjoy Common Areas and Common Assets of Condominium Haciendas Palo Verde, as long as said use does not limit the rights of use and enjoyment of Common Areas and Common Assets of Condominium Haciendas Palo Verde, subject to those other easements, agreements, conditions, restrictions, and dispositions of the present Bylaws, including but not limited to, the right of the Administrator to establish reasonable Rules of Operation related to the use of Common Areas and Common Assets.

8.4. Property Owners may delegate their rights of enjoyment of Common Areas and Common Assets to members of their families, guests and other Occupants, in conformity with the present instrument. However, each Property Owner will be liable before Condominium Haciendas Palo Verde and the Administrator, for any damage to Common Areas and Common Assets that could have been caused by negligence or intentional misconduct of said Property Owner, his family, guests or Occupants.

8.5. Property Owners will have the right to carry out improvements within the limits of their Individual Condominium Units, as long as they obtain previous authorization from the Administrator and Design Review Committee of Haciendas Palo Verde, in conformity with that stipulated in article 12 of the present Bylaws.

8.6. Each Property Owner will have a right to one vote per Individual Condominium Unit owned in Condominium Haciendas Palo Verde.

ARTICLE 9. - OBLIGATIONS OF PROPERTY OWNERS AND OCCUPANTS .

9.1. Property Owners and Occupants must make use of their Individual Condominium Units, Common Areas and Common Assets in a correct and orderly fashion in conformity with the customs and habits morally correct and accepted.

9.2. Individual Condominium Units, Common Areas, and Common Assets, must be utilized in conformity with the Applicable Dispositions and in accordance to those Rules of Operation adopted by the Administrator. It is prohibited, within said units and areas, to carry out acts that may affect the tranquility and peaceful enjoyment of other Property Owners or Occupants or that may jeopardize the cleanliness, comfort, prestige and appearance of Condominium Haciendas Palo Verde.

9.3. In conformity with that stipulated by law, the rights of all Property Owners with respect to Common Areas and Common Assets are inseparable from their exclusive private right over an Individual Condominium Unit. For that reason, each Property Owner will be subject to all and each one of the obligations imposed by the Applicable Dispositions independently of the right of each Property Owner of abandoning and renouncing their right of use of any Common Area or Common Asset.

9.4. No Property Owner will be exempt from contribution payments imposed by the Administrator or the Property Owners Assembly; likewise no Property Owner may free himself of encumbrance, charges, and other dispositions contained in the present Bylaws in reference to their Individual Condominium Unit by the simple act of renouncing the use and enjoyment of Common Areas and Common Assets of Condominium Haciendas Palo Verde nor by abandoning their Individual Condominium Unit.

-----**CHAPTER VI**-----

-----**PROPERTY OWNER CONTRIBUTIONS**-----

ARTICLE 10. - CONTRIBUTIONS.

10.1. Property Owners upon acquiring property rights over an Individual Condominium Unit by means of a deed, promissory contract or any other document are obligated through said document, to pay contributions.

10.2. All Ordinary Contributions, Contributions for Improvements, and Extraordinary Contributions are to be calculated in equal parts for each individual condominium unit of Condominium Haciendas Palo Verde.

ARTICLE 11. - USE OF CONTRIBUTIONS

11.1. Ordinary Contributions and two Contributions for Services - See 4.7 (d) and 11.9- will be utilized to cover routine expenses related to the administration and maintenance (not for initial construction) of Common Areas and Common Assets of Condominium Haciendas Palo Verde, for the purpose of preserving the quality of access, services, convenience, appearance, recreation and security within Condominium Haciendas Palo Verde and to preserve property values and satisfy the collective necessities of Condominium Haciendas Palo Verde, in conformity with the Applicable Dispositions. Routine expenses to be covered by Ordinary Contributions include, but are not limited to, the following:

- (a)** Wages, salaries and benefits for individuals that are employed by Condominium Haciendas Palo Verde.
- (b)** Costs of repair and maintenance of the infrastructure of Common Areas, landscaping, buildings and equipment.
- (c)** Equipment purchases, tools and materials utilized for repair and maintenance of Common Areas and Common Assets.
- (d)** Fees for services including electricity, water, gas, and telephone utilized by Condominium Haciendas Palo Verde.
- (e)** Insurance Policies.
- (f)** Concession payments of Concessioned Federal Zones.

11.2. Based on an annual budget drafted by the Administrator and approved by the Property Owners Assembly, the Property Owners Assembly will establish Ordinary Contributions to be paid by Property Owners in conformity with the present Bylaws.

11.3. The Administrator will deliver to each Property Owner an annual operating budget for the corresponding fiscal year within a thirty (30) calendar day period prior to the Annual Assembly; said budget must include a calculation of the total expenses necessary to operate Condominium Haciendas Palo Verde. Based on said budget, the Administrator will establish the amount of Ordinary Contributions to be paid by each Property Owner.

11.4. Until the construction of Condominium Haciendas Palo Verde is completed in its totality, the Ordinary Contributions will be distributed and covered solely by those phases that have been developed or that are under construction and for sale to the general public during the fiscal year in question. Common Areas, Service Areas and Concessioned Federal Zones will be exempt from Ordinary Contributions payments.

11.5. Upon approval of the annual budget and Ordinary Contributions and Contributions for Services on behalf of the Property Owners Assembly, all Property Owners will be obligated to pay to the Administrator their part of Ordinary Contributions and Contributions for Services during the first forty-five (45) calendar days after approval of the budget. In the event that the Property Owners Assembly does not come to an agreement over the budget, it will be increased in accordance with the annual inflation index indicated by the Bank of Mexico. Each payment must be carried out by the date stipulated in the written notification or electronic mail sent to Property Owners for such effects.

11.6. In case the Administrator for any reason determines that the annual budget for any fiscal year is inadequate to cover the expenses of Condominium Haciendas Palo Verde during said year, he will expeditiously determine the amount necessary to adjust the budget and will draft a supplementary budget that will include the additional expenses for Condominium Haciendas Palo Verde as well as the amount of Ordinary Contributions to be paid by Property Owners. As soon as the Property Owners Assembly approves the supplementary budget, Property Owners will be obligated to cover the Ordinary Contributions derived from the annual and supplementary budgets on the date or dates that the Administrator indicates.

11.7. Independently of any requirement included in the present Bylaws, the Administrator will have the right to impose an Extraordinary Contribution or may increase any other contribution as necessary to cover costs and expenses related to emergency situations:

(a) Any unanticipated expense required by judicial order.

(b) Any emergency expense higher than the reserve fund for repair or maintenance of Condominium Haciendas Palo Verde, or related assets under the responsibility of the Administrator, upon finding out that the security of persons or private property is in danger. Prior to the collection of an Extraordinary Contribution, the Administrator will deliver a notification describing the need to carry out said extraordinary expense and the reasons for which it was not determined in the process of drafting the corresponding annual budget.

11.8. As part of the budget of Ordinary Contributions, the Administrator, with prior authorization of the Property Owners Assembly, will establish and maintain a reserve fund to provide funds to cover unanticipated or emergency expenses during the fiscal year in question. The amount of this fund will be determined each year as part of the annual budget approved by the Property Owners Assembly.

11.9. The Contributions for Services will be paid in equal parts by the homeowners and those lot owners who have had their approval of construction by the architectural committee. In this regard, two Contributions for Services are also to be paid by all members, one contribution for the clubhouse and another for the guardhouse. "Contributions for Services" will refer to budget costs of exclusively 50% (12 hours) of contracted private security, 100% direct cost of water pumping (electricity and maintenance) and 100% cost garbage collection.

11.10. The Administrator, with prior authorization from the Property Owners Assembly, may impose Contributions by Fines. Each occasion in which the Property Owner in question incurs non-compliance of timely payments of his contributions and other fees or charges determined by the present Bylaws, he will be suspended from the right to vote over any matter that the Property Owner would have voted on otherwise. Said suspension will continue until said non-compliance is corrected.

-----**CHAPTER VII**-----

-----**ARCHITECTURAL CONTROL**-----

ARTICLE 12. - DESIGN GUIDELINES.

12.1. All building or construction, whether existing or to be carried out within Condominium Haciendas Palo Verde will be governed by the Design Guidelines. Said guidelines constitute an integral part of the Bylaws and unless the Declarant or the Design Review Committee grant specific authorization, compliance of the Design Guidelines is mandatory for all buildings and construction within Condominium Haciendas Palo Verde.

12.2. Each new Property Owner will receive a copy of the applicable Design Guidelines. Existing Property Owners will be notified of new changes to existing guidelines. The modifications made to the Design Guidelines will not cancel out previously authorized plans under any circumstance and the Property Owner of an Individual Condominium Unit will not be obligated to modify or alter said unit to comply with the modifications of the Design Guidelines, until said Property Owner carries out new modifications or additions to said unit.

12.3. Modifications to the Design Guidelines.

The Design Guidelines may be modified by means of a majority of 75% (seventy five percent) of the votes of Property Owners present at the Property Owners Assembly as established in article 14 of the present instrument.

ARTICLE 13. - DESIGN REVIEW COMMITTEE.

13.1. All designs for new constructions, additions or changes to existing constructions in any site within Condominium Haciendas Palo Verde will be governed by the Design Review Committee. The design of any new construction or modification must be submitted to the Design Review Committee in order to be authorized prior to the initiation of any construction.

13.2. The address of the Design Review Committee will be the main office of the Administrator of Condominium Haciendas Palo Verde, located in La Paz, B.C.S., Mexico. Said address will be the site where the plans and specifications will be presented as well as where the necessary meetings will be carried out and it will be the location where authorized plans and the Design Guidelines will be kept.

13.3. Liability waiver in the approval of plans.

Plans and specifications presented to the Design Review Committee for their authorization are not approved in reference to engineering designs. For that reason, upon approving any plan and specification, the Design Review Committee, its members, the Administrator, the Declarant, and Condominium Haciendas Palo Verde do not assume any liability for said plans nor for any defect in the structure to be constructed in conformity with said plans and specifications, nor for non-compliance in regard to Applicable Dispositions.

13.4. Appeals.

Should a Property Owner be denied approval of a home design by the Design Review Committee, the Property Owner may alternatively collect signatures representing the ownership of at least 51% of registered lots, developer lots excluded, in order to override the committee decision.

- (a) One Property Owner's signature is allowed per lot.
- (b) The signing parties must acknowledge, in writing, to having fully reviewed the home design in question, as well as to having reviewed "Reasons for Non-Approval Document" issued by the Design Review Committee.
- (c) The above requirement may be met by use of a standard petition form.
- (d) Fax and Email are also acceptable means of signature collection.
- (e) "Reasons for Non-Approval Document" will be issued upon denial of approval, along with a current list of registered Property Owners and their basic contact information.

13.5. Approval of designs.

Planning, design and construction of all development within any lot in Haciendas Palo Verde, must be carried out in conformity with the Design Guidelines. Unless plans and specifications for any project within Haciendas Palo Verde are approved by the Design Review Committee, no improvement of any kind may be carried out without previous authorization of the Administrator in conformity with the terms of the present document. The Administrator is empowered to suspend any construction not authorized in writing by the Design Review Committee.

13.6

After final approval by the Review Committee, however, before turning in the authorization documents of approval for construction, the owner who will build shall deposit \$ 50,000 pesos MN (fifty thousand) with the administrator of the Association. This amount will remain in the bank account of the Association and the owner will be reimbursed the day the new home appears completed on the outside according to the plans. This includes all exterior finishes, including paint, windows, doors, pergolas, lighting and landscaping. The administrator and the officers will determine whether the exterior appears to be finished. Alternatively, the owner/builder can acquire 51% of all member's signatures, agreeing that the outside of the house seems to be completed. For the purposes of this clause, all interior finishes are excluded. The owner will lose all of deposit, and these funds will become Contributions by Fines, if the exterior of a home is not completed within a year of movement of soil to begin construction. The administrator will determine this date, to be witnessed by the Oversight Committee Officers.

-----**CHAPTER VIII**-----

-----**ADMINISTRATION**-----

ARTICLE 14.- THE PROPERTY OWNERS ASSEMBLY.

14.1. The Property Owners Assembly is the supreme authority of Haciendas Palo Verde.

14.2. Property Owners Assemblies must be carried out once a year on the last Saturday of January, and must review the following matters:

- (a) Approval of the annual operating budget of Haciendas Palo Verde, including contributions proposed for each year, as drafted and presented by the Administrator.
- (b) To review and approve as necessary the financial statements of Haciendas Palo Verde, as well as any other financial information related to the budget of income and expenses of the previous fiscal year presented by the Administrator.
- (c) To review, and approve as necessary, the report of the Oversight Committee with regard to the performance of the Administrator.
- (d) To designate and remove the Administrator and members of the Oversight Committee as necessary.
- (e) To determine the compensation to be paid to the Administrator as well as the terms under which he will lend his services.

(f) To make decisions regarding any proposed amendment of the present Bylaws.

(g) To make decisions concerning any other matter that, in accordance with the Applicable Dispositions, must be approved by vote of the Property Owners Assembly in order to be considered valid.

14.3. In order for Assemblies to be considered legally constituted under the first summons, it will require as a minimum the presence of those individuals that represent seventy five percent (75%) of the total votes of Property Owners; in the event of a second summons it will require as a minimum the presence of those individuals representing fifty one percent (51%) of the total votes of Property Owners; and, in the event of a third summons, the Assembly will be legally constituted regardless of the number of votes presented. Unless the contrary is stipulated within the present Bylaws, it will require a majority of fifty one percent (51%) of the total votes of the Property Owners present in the Property Owners Assembly, to adopt a valid resolution, and the same percentage will be required for those resolutions referring to the removal of a member of the Oversight Committee whether in a first, second or third summons.

14.4. In the event that a sole Property Owner represents fifty percent (50%) or more of the totality of votes, to adopt a valid resolution it will require, in addition to his vote, fifty percent (50%) of the remaining votes.

14.5. Property Owners Assemblies will be summoned by means of a written notification sent to the Property Owners addresses as registered with the Administrator, or by electronic mail and will be delivered thirty (30) calendar days before the date in which the Assembly in question will be held. The notification sent must contain the Assembly Agenda.

14.6. The following individuals will have a right to summon the Assembly:

(a) The Administrator.

(b) The Oversight Committee.

(c) Property Owners representing at least (25%) of the total votes of Condominium Haciendas Palo Verde.

14.7. The Administrator must summon the Assembly at least once a year; or more in case any of the mentioned groups in the previous paragraph so request it, and as long as they have reasonable justification to do so.

14.8. In case that the Administrator does not summon the Assembly within seven (7) working days after receiving a request to do so, the Oversight Committee may carry out the summons.

14.9. In the event that the Administrator and the Oversight Committee do not summon an Assembly when so required by Property Owners representing twenty five percent (25%) of the total votes of Condominium Haciendas Palo Verde, said summons may be carried out through one of the competent courts of the Judicial body of La Paz, B.C.S., Mexico.

14.10. Only Property Owners registered as such with the Administrator may participate in the Assembly. In order to be properly registered, Property Owners have to present one of the following documents to the Administrator:

(a) In case of being a Property Owner of an Individual Condominium Unit: the deed of the corresponding property.

(b) In case of being a trustee of a trust with respect to an Individual Condominium Unit: a letter drafted by the corresponding bank that accredits said capacity. This can generally be found within the deed.

(c) In case of being a beneficiary through a promissory contract of trust: a letter by the trustor of the Individual Condominium Unit.

14.11. Property Owners may be represented in the Assemblies by third parties through a power of attorney.

14.12. Each Property Owner will have a right to one vote per Individual Condominium Unit owned in Condominium Haciendas Palo Verde.

14.13. The Assemblies will be presided by the Administrator and the President of the Oversight Committee will act as secretary. In their absence the Assembly will designate a President and a Secretary.

14.14. The secretary of the Assembly will draft the minutes of the Assembly which must include the matters discussed and the resolutions adopted.

14.15. The minutes of the Assembly will be signed by the President and the Secretary, and they will be annexed to the corresponding attendance list. Said minutes will be distributed by the Secretary to all Property Owners, the Administrator and the Oversight Committee.

14.16. The fiscal year will be from the first of April to the 31st of March of the following year.

ARTICLE 15.- OVERSIGHT COMMITTEE.

15.1. The Oversight Committee will be composed of at least (3) persons elected by majority vote in the first Property Owners Assembly of the year.

15.2. Each member of the Oversight Committee must be:

- (a) A Property Owner properly registered with the Administrator.
- (b) A Property Owner that acquired said property in the condominium Haciendas Palo Verde at least one year before the date of the election with the exception of original members who must be designated by the Declarant."
- (c) Must be current in the payment of all contributions determined by the Administrator and the Property Owners Assembly.
- (d) Must be at least eighteen years (18) of age.

15.3. Each member of the Oversight Committee will remain in their position for a period of one year as of the date of election, and may be reelected as many times as the Assembly decides. The members may remain in their charge until their successors are designated and take possession of their charge.

15.4. Obligations and Powers of the Oversight Committee.

The Oversight Committee will have the following duties and powers:

- (a) To verify that the Administrator complies with all resolutions adopted by the Property Owners Assembly.
- (b) To verify that the Administrator complies with his obligations in conformity with the present Bylaws.
- (c) To verify that the reserve fund is at all times at adequate levels and properly invested to ensure that the expenses that Condominium Haciendas Palo Verde incurs are covered when necessary.
- (d) To inform the Property Owners Assembly of their observations relating to the Administration of Condominium Haciendas Palo Verde.
- (e) To inform the Property Owners Assembly of any non-compliance of the Applicable Dispositions and/or any non-compliance of these Bylaws by any Property Owner.
- (f) To assist the Administrator, if he requests it, in notifying a Property Owner of his obligations in case of non-compliance.
- (g) To draft and deliver annually to the Property Owners Assembly a written report.
- (h) To summon the Property Owners Assembly, in case that the Administrator does not carry it out in accordance to the article 14 of the present Bylaws.

15.5. Compensation of the members of the Oversight Committee.

Members of the Oversight Committee may be paid in the event that it is so determined by a majority of seventy five percent (75%) of the votes of the Property Owners present at the Property Owners Assembly.

15.6. Removal of the members of the Oversight Committee.

In case of non-compliance of their obligations, members of the Oversight Committee may be removed, either collectively or separately. This resolution will be voted upon at the Property Owners Assembly under the terms indicated by article 14.3 of the present Bylaws.

15.7. Obligations of the members of the Oversight Committee.

The president of the Oversight Committee will have the following obligations:

- (a) To preside over the Oversight Committee meetings holding the casting vote.
- (b) To summon meetings of the Oversight Committee at any moment if he considers it necessary, to discuss matters in question.

The secretary of the Oversight Committee will have the following obligations:

- (c) To draft, certify, and distribute the Oversight Committee meeting minutes, subsequently transcribing them to the book that will be kept for such purposes.
- (d) To keep a registry of the present and future Property Owners with the information provided by the Administrator.
- (e) To act as secretary in the committee meetings.

ARTICLE 16.- OBLIGATIONS AND POWERS OF THE ADMINISTRATOR.

16.1. The first Administrator will be designated by the Declarant and will remain at his charge for a period of four years (4). The subsequent Administrators will be elected by the Property Owners Assembly in accordance with that stipulated in article 14.

16.2. The Administrator may be removed from his charge solely by the Property Owners Assembly, through a vote in favor of seventy five percent (75%) of the total votes of Property Owners, as established in article 14 of the present Bylaws.

16.3. The Administrator will be a physical or moral person constituted in accordance with Mexican Laws.

16.4. General Obligations of the Administrator.

The Administrator will have the following obligations:

(a) To enforce compliance of the present Bylaws and the Design Guidelines through adequate means, as well as to comply with obligations inherent to the Administrator as stipulated in the present Bylaws.

(b) To operate, maintain, repair and manage the following:

- (1) Common Areas and Common Assets, easements, properties, landscaping, and other improvements within Condominium Haciendas Palo Verde.
- (2) Any real estate over which Condominium Haciendas Palo Verde has any interest.
- (3) Any real estate or asset that the Administrator is obligated to operate, manage, repair or maintain in accordance with the present Bylaws.

(c) To carry out the payment of any tax, as well as contributions and other charges delegated to the Administrator.

(d) To ensure that the services of water, gas, electricity, trash collection, sewage and other services required by Common Areas and Common Assets are provided.

(e) To act as administrative agent for Condominium Haciendas Palo Verde.

(f) To designate the members of the Design Review Committee with approval of the Oversight Committee.

(g) To contract insurance policies when required by Assembly and the present Bylaws, and maintain them current in accordance with present Bylaws.

(h) To prepare financial statements for Condominium Haciendas Palo Verde and distribute the following documents to Property Owners:

- (1)** An operating budget proposed for each fiscal year.
- (2)** An accumulated budget of income and expenses.
- (3)** A report of the amount of cash reserves available for replacement or repair of Common Areas or Common Assets, as well as for contingencies.

(4) A detailed budget of the terms and methods of application of the funds for repairs or replacements of Common Areas or Common Assets, which are the responsibility of the Administrator.

(i) To draft an annual report that must be distributed within a period of one hundred and twenty (120) calendar days after the closing of the corresponding fiscal year; said report will include the following:

- (1)** The balance upon closing of the fiscal year;
- (2)** Report of operating budget for the following fiscal year and;
- (3)** A report of any change in the financial situation during the fiscal year in question. All reports previously mentioned must be drafted in conformity with generally accepted accounting principles, to be subject to an external audit when the Property Owners Assembly so decides.

(j) To provide services as Administrator in a professional and responsible manner and to always protect the interests of Condominium Haciendas Palo Verde.

16.5. Rules of Operation.

The Administrator will have the discretionary authority to promote, modify or rescind Rules of Operation that may be necessary to implement the routine administration of Condominium Haciendas Palo Verde and the present Bylaws. Said Rules of Operation may include, but are not limited to, the following:

- (a)** Specific limitations in reference to parking, storage, use and hours of operation of Common Areas and Common Assets, provision of services, security requirements, trash collection and animal control.
- (b)** The system of penalties and charges for non-compliance of rules and damages to Common Areas and Common Assets.
- (c)** Specific measures to ensure that Property Owners do not infringe or compromise the rights of other Property Owners.

16.6. The Rules of Operation must be produced in English and Spanish versions. The Rules of Operation may regulate any matter related to the duties of the Administrator as long as said rules do not discriminate among Property Owners and coincide with present Bylaws. A copy of said Rules of Operation, as well as its modifications must be delivered to each Property Owner or Occupant affected by these, in the manner established in the present Bylaws. The Rules of Operation will have the same validity as if they were part of the Condominium Bylaws and will be mandatory for all Property Owners and Occupants whether they receive them or not. The Rules of Operation, as adopted or modified, will be kept in the Administrator's offices and will be available upon request of any Property Owner or Occupant. In case any controversy arises between any operation rule and any other requirement contained in the present Bylaws, the requirement of the Condominium Bylaws will prevail over the Rules of Operation solely with regard to the treatment of said controversy.

16.7. General Powers of the Administrator.

The Administrator will have the following powers:

- (a)** General powers for lawsuits and collections; being empowered to appear before any judicial, administrative, civil, penal, or labor authority, whether local or federal, with all the general powers and those special powers

that require special clause without any limitations under the terms of Article 2554 of the Civil Code of the Federal District in common matters and for the Mexican Republic in federal matters and the correlative of the Civil Code of the State of Baja California Sur, with the specific authority that requires special clause according to law. The Administrator will have the necessary faculties to promote judgments of protection and to desist from them voluntarily as well as to promote lawsuits and complaints, becoming a third party to the Public Ministry, as well as to all types of powers in relation to penal matters.

- (b) General power for costs of administration; granted with sufficient authority to administer the real estate and business of Condominium Haciendas Palo Verde with all general powers and those special powers that require special clause according to Law without any limitations under the terms of Article 2554 of the Civil Code of the Federal District on common matters and for the Mexican Republic in federal matters and the correlative of the Civil Code of the State of Baja California Sur.
- (c) The Administrator is in charge of maintenance of all areas, installations, equipment, service and aesthetic elements of any type, as required. In the event that the Administrator is a moral person, said Administrator must act through an agent, who will enjoy the faculties granted to said Administrator.

----- CHAPTER IX -----

----- MAINTENANCE AND REPAIRS -----

ARTICLE 17. - MAINTENANCE AND GENERAL REPAIRS.

17.1. Guide for Exterior Maintenance.

Maintenance and repair of all exterior areas of Condominium Haciendas Palo Verde must be carried out in accordance with the Design Guidelines.

17.2. Assumption of Maintenance Obligations.

The Declarant, his contractors, sub-contractors, agents or employees, will have the right to enter any area of Condominium Haciendas Palo Verde, for the purpose of carrying out construction or maintenance of any improvement installed within Common Areas and Common Assets in conformity with present Bylaws. In case of obtaining a surplus by means of Contributions for Improvements or related ends, said excess amount will remain in reserve to compensate future maintenance expenses of Condominium Haciendas Palo Verde.

ARTICLE 18. - REPAIR AND MAINTENANCE ON THE PART OF THE ADMINISTRATOR.

18.1. The Administrator must comply with the following obligations in areas that are responsibility of Condominium Haciendas Palo Verde: In a continuous manner, maintain in good condition and repair all improvements that form part of Common Areas and Common Assets of Condominium Haciendas Palo Verde, including but not limited to: streets, entrance roads, landscaping, open spaces, gates, doors, walls, utilities, mechanical equipment, lighting, exterior signage and the interior and exterior of any building belonging to Condominium Haciendas Palo Verde.

----- CHAPTER X -----

----- DESTRUCTION OF IMPROVEMENTS -----

ARTICLE 19. - INSURANCE.

19.1. The Administrator will obtain the following types of insurance and will maintain them current at all times:

- (a) Commercial Insurance Policy against damages to third parties, that will cover the Administrator, the Declarant, and his agents and employees, as well as the Property Owners and their respective families and guests, against liability related to the property or use of Common Areas and Common Assets of Condominium Haciendas Palo Verde, including if reasonably possible, a policy against damages to third parties that covers liability of the insured party with respect to another. The limits and sub-limits of said insurance may not be less than the amounts determined by the Administrator as reasonable and commercially adequate, considering the coverage obtained and maintained compared with insurance for other real estate similar in size, value and location to Condominium Haciendas Palo Verde.
- (b) A Master Insurance Policy against fire for an amount determined by Property Owners Assembly for the replacement of Common Areas and Common Assets of Condominium Haciendas Palo Verde including improvements, furniture, accessories and equipment, located within said areas and utilized collectively by Condominium Haciendas Palo Verde. Said policy will include total coverage and if possible replacement costs as well as coverage against vandalism and intentional acts such as condition clauses of special format and specific amounts. Said amounts are determined periodically by the Administrator and the beneficiaries will be the Administrator, the Property Owners, and the Declarant as long as he is still a Property Owner of any part of Condominium Haciendas Palo Verde, and all mortgage creditors according to their respective interests. Likewise, a payment clause must be included for loss in favor of the Fiduciary in such case.

19.2. Resignation of the Property Owners.

All insurance obtained by the Administrator must be kept in force by said Administrator for his own benefit, as well as Property Owners, and where appropriate, mortgage creditors according to their interests. As long as each one of the policies is not cancelled, the Property Owners waver and release the Administrator as well as other Property Owners, the Declarant, his agents and his employees, of all liability with regard to any applicable provision in said insurance policy whether caused or not by negligence or non-compliance on behalf of said individuals in reference to any agreement contained in the present document.

19.3. Payment of Policies and Agreements.

The payout of Insurance Policies against damages will be utilized by the Administrator solely to repair or replace the property for which the policy in question was obtained.

ARTICLE 20. - DESTRUCTION OF ASSETS.

20.1. Automatic Reconstruction.

Unless the Property Owners Assembly indicates the contrary, the Administrator will proceed to restore damaged or destroyed portions of Common Areas or Common Assets of Condominium Haciendas Palo Verde as soon as possible. All reconstruction must be carried out in a manner consistent with the Design Guidelines. The Administrator or his agents are authorized to execute contracts if necessary for the purpose of carrying out repairs and necessary reconstructions.

20.2. Reconstruction Contributions.

In case the amounts of available insurance funds for restorations and repairs are not adequate to cover the costs of restoration and repair of damaged Common Areas and Common Assets, an Extraordinary Contribution for the reconstruction must be implemented by the Administrator and will be subject to approval by the Property Owners Assembly for the purpose of obtaining the necessary funds for said reconstruction.

20.3. Excess of insurance funds.

In case excess insurance funds exist after the reconstruction in question is carried out by the Administrator according to the present article, the Administrator must retain said amounts in the reserve fund.

----- CHAPTER XI -----

----- GENERAL REQUIREMENTS -----

ARTICLE 21.- GENERAL REQUIREMENTS.

21.1. Compliance.

In conformity with the present Bylaws, the Administrator or any other Property Owner will have the right to enforce compliance of any disposition of the present Bylaws by means of legal procedures, including the right of preventing the violation of any disposition of the present document, and the right to recover damages or any other amount for said violation. The Administrator and the Design Review Committee will have the right to enforce the Design Guidelines, and any resolution adopted by the Design Review Committee with regard to their respective directives. The Administrator, acting as such, will have the right to legally collect any contribution referred to in article 11 of the present Bylaws.

21.2. Divisibility.

The annulment or revocation of any part of the present Bylaws by judicial orders or sentence will not affect in any way the remaining dispositions which will remain in force. Likewise, the waiver by the Administrator, the Design Review Committee or the Property Owners Assembly, of any part of the Design Guidelines or the Rules of Operation, will not affect any of the rest of the dispositions that must remain in force.

21.3. Legal Fees.

In the event of carrying out any type of legal action to enforce compliance of the present Bylaws, the prevailing party in said action will have a right to collect from the opposing party legal fees and costs of the lawsuit as part of the verdict.

21.4. Notifications.

All required notifications according to present Bylaws will be carried out in writing; said notifications will be considered received, if delivered personally, or two weeks after having been sent by prepaid mail directed to the most recent address registered with the Administrator. In case of electronic mail the period will be one week.

21.5. Liability of the executives.

Up to the maximum extent permitted by the Applicable Dispositions, the Administrator, the Declarant, the Design Review Committee, and the Oversight Committee will not be held liable to Property Owners or Administrators for damages, Law or detriments suffered or claimed in relation with any decision, approval, or disapproval of plans or specifications (whether imperfect or not), actions, acts, omissions, errors, negligence or others, carried out in good faith and that said Administrator or individuals consider reasonable as part of their duties.

21.6. Amendments.

Unless the present Bylaws expressly specify the contrary, this document may be amended solely by means of a majority of seventy five percent (75%) of the votes of Property Owners present at the Property Owners Assembly as established in article 14 of the present Bylaws.

21.7. Jurisdiction.

For everything related to compliance of obligations and the exercise of the rights contained in the present instrument, the parties submit expressly to the jurisdiction of the competent Tribunals of the City of La Paz, B.C.S.; renouncing for that matter any other Jurisdiction to which they have a right to by reason of their present or future addresses or any other reason. In case that any discrepancy should arise between the majority holder and the other Property Owners, said discrepancy will be subject to the consideration of the competent Tribunals of the City of La Paz, B.C.S., or to an arbitration procedure as established by the Civil Procedures Code of B.C.S., Mexico.

----- CHAPTER XII -----

----- EXCEPTIONS -----

ARTICLE 22.- EXCEPTIONS TO THE BYLAWS.

22.1. The Bylaws established through the present document, will not apply to the following:

- (a)** Any act carried out or proposed to be carried out within Condominium Haciendas Palo Verde, or any condition encompassed within, by offices or governmental authorities or by the agents and employees of any governmental authority that acts under the parameters of authority of agents and employees.
- (b)** Any act carried out or proposed to be carried out within Condominium Haciendas Palo Verde, or any condition encompassed within, by companies or public services including but not limited to: electrical companies, gas, water and/or sewage services to all or part of Condominium Haciendas Palo Verde.
- (c)** Any act carried out or proposed to be carried out within Condominium Haciendas Palo Verde, or any condition encompassed within, by the Declarant or his successors, assignees, agents, employees, or contractors, during the planning of Condominium Haciendas Palo Verde that is required for any new improvement as long as said proposals or conditions created within Condominium Haciendas Palo Verde do not restrict Property Owners in an unreasonable manner with respect to the use and enjoyment of the areas of Condominium Haciendas Palo Verde or Individual Condominium Units in accordance with the present Bylaws; with the understanding that said act or condition does not continue after the completion of said construction; and also with the understanding that said streets, services, buildings and other original improvements will comply with these Bylaws after the completion of said construction.
- (d)** Any act carried out or proposed to be carried out within Condominium Haciendas Palo Verde or any construction created within it, by any person under judicial orders, or by order of any public officer (acting in this capacity) or any public office, subject to the condition that the orders referred to in the present paragraph are exclusively those originated by actions initiated by public officers acting as such, or public offices that demand compliance with mandatory requirements including penalties in case of non-compliance, and not orders originated upon the petition of a private party either incidentally or otherwise.

BY SIGNING THIS AGREEMENT, THE PURCHASER(S) AGREES TO JOIN THE CIVIL ASSOCIATION HACIENDAS PALO VERDE HOMEOWNERS ASSOCIATION A.C. AND ACCEPT AND ABIDE BY THESE BYLAWS.

BUYER:

BUYER:

Please Print Name(s):

Date: _____

Date: _____

WITNESS: _____

Date: _____

Witness Print Name: _____