

**CONDOMINIUM BYLAWS OF THE CONDOMINIUM I AREA,
SECTIONS "A" AND "B" OF THE LA JOLLA DE LOS CABOS
TOURIST DEVELOPMENT IN SAN JOSE DEL CABO,
LOS CABOS MUNICIPALITY, B.C.S.**

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TITLE ONE

CHAPTER I

GENERAL PROVISIONS

ARTICLE 1. These Bylaws are issued pursuant to and for enforcement of the propriety and co-ownership (condominium) regulating Law and related provisions in effect in the State of Baja California Sur.

ARTICLE 2. Regardless of their status, the co-owners and occupants commit pursuant to these Bylaws and will answer for the damages and injuries they cause in the jointly owned property determined in the condominium, as well as those caused to the Real Estate by workers or collaborators in their individual tract of land.

ARTICLE 3. Co-owner is the individual, other legal entity or corporation Who/Which has acquired one or more units via fiduciary Rights succession or conveyance or property by trustee in His/its name.

ARTICLE 4. The condominium property is subdivided into three types:

A) Property for exclusive use:

This is the apartment, house or premises and the right to co-ownership of the elements and parts of the condominium considered to be common, such as: the land, foundations, vestibules, stairways, storage rooms, halls, roofs and facades.

B) Common property for private use:

These are the real estate's common areas and elements such as green areas, walkways, pools, parking areas and the drinking water, sewage, electrification, public lighting, telephone and TV services infrastructure.

C) Common property for general use:

This is the common areas and elements such as: roads, sewage water sump pump, the sewage water treatment plant and the service area.

TITLE TWO

CHAPTER I

CO-OWNERS' RIGHTS AND DUTIES

- ARTICLE 5.** The co-owner will have exclusive right to his apartment, considered to be a private area, and will be co-owner of the common condominium components that correspond to him.
- ARTICLE 6.** The co-owner may alienate, encumber or rent and in general exercise all acts of dominion over his property without the consent of the other co-owners; any alienation, encumbrance or attachment shall automatically include the related rights and duties of the common property. However, when the co-owners are foreign, the exercise of their rights shall be subject to the legal provisions that apply to them.
- ARTICLE 7.** Isolated parts of the units may not be sold as such.
- ARTICLE 8.** The form and construction of common areas may not be divided or modified.
- ARTICLE 9.** Each co-owner's right on the common areas shall be commensurate with the private part corresponding to him.
- ARTICLE 10.** Even when a co-owner abandons his rights or waives the use of particular common property, or does not use his unit himself, he shall continue subject to the Real Estate Co-ownership provisions for the State of Baja California Sur, the charter, these Bylaws and the other applicable legal provisions.
- ARTICLE 11.** A Dwelling unit may only be used by third persons in the following cases:
- A) With the condition that the Agent of a co-owner shall be subject to the regulations, control and rules set by the condominium By-laws and the Board of Directors.
 - B) When the co-owner rents or directly authorizes another person to use the unit without third party intervention.

ARTICLE 12. The corresponding co-owners will be liable for common area damages caused by co-owners or their guests.

ARTICLE 13. Each co-owner shall directly pay the taxes and duties caused by his private property and his common area proportion.

ARTICLE 14. All new purchasing co-owners will submit to the Homeowners Office the name, address, phone number and e-mail address of the title holders and commit to be subject to the law applicable to the Real Estate So-Ownership provisions of the state of Baja California Sur, the charter and these Bylaws.

ARTICLE 15. Private areas may only be used for single-family dwelling and the use of private areas may only be changed by resolution of the assembly, prior authorization of the corresponding authorities.

ARTICLE 16. The co-owner shall not carry out or let anyone occupying their units to diminish the good name and appearance of the complex. The units may be occupied by a maximum number of people as follows:

- A) 2 Bedroom apartments - Maximum 6 people
- B) 1 Bedroom apartments - Maximum 4 people
- C) Studio apartments - Maximum 4 people

ARTICLE 17. The co-owner may change the interior of his unit only with prior notification of and written approval from the Administrator and the Board of Directors. The co-owner shall refer to and abide by the Remodeling Rules & Regulations in effect at the time of the remodel.

ARTICLE 18. The co-owner shall allow the necessary emergency and general repairs in the condominium common parts; Ceilings, floors, walls, dividing walls, mezzanines and the sundry installations traversing their private property, and shall allow the personnel in charge of executing them access, by requiring the owner to leave a key with the Homeowner's Office or a responsible party in the San Jose de Cabo area.

- ARTICLE 19.** It is forbidden to hang clothing, towels or personal effects in windows and terraces in view of neighbors or common use areas.
- ARTICLE 20.** Each co-owner shall maintain and repair the interior of his unit and the windows, screens, sliding doors and entrance door enclosing his private area, but the co-owners' association shall maintain external walls and roofing.
- ARTICLE 21.** Mezzanines, walls and other divisions separating the units shall be common property only of adjacent co-owners.
- ARTICLE 22.** Openings or windows may not be made, nor may the façade, doors or exterior windows be painted or decorated, and nothing may be attached installed or fixed to the exterior parts or parking area of the building. All resulting damages shall be the direct responsibility of the co-owner.
- ARTICLE 23.** No signs or notices may be put on facades or in windows; for such purpose a visible place will be assigned by the Administrator for co-owner advertisements that are not contrary to morality or proper custom.
- ARTICLE 24.** No pets are allowed on the grounds or private areas.
- ARTICLE 25.** Common area may only be used for vehicle circulation and pedestrians or for recreation of co-owners and their guests, subject to the related rules; their basic function shall be to improve the appearance of the project, providing co-owners with privacy and entertainment sites for them and their visitors.
- ARTICLE 26.** Any use of common areas is at the risk of the co-owner and his guests, and neither the co-owners' association nor the constituent shall have any responsibility in this respect for accidents, which occur in them.
- ARTICLE 27.** The maximum speed of vehicles within the project is fifteen kilometers/hour, or 10 m.p.h.
- ARTICLE 28.** Everyone shall freely share parking spaces. It is forbidden to use the parking spaces to park boats,

trailers, campers and any other similar or oversized vehicles in them, except for the unloading of such vehicles. All vehicles must be registered with the Security guard and a permit must be visible inside or on the front windshield of every vehicle.

ARTICLE 29. Walkways are exclusively for pedestrian traffic and service carts; they may not be used for bicycles, skateboards, roller skates, etc. Medically necessary wheel chairs or appliances will be allowed.

ARTICLE 30. The pool timetable shall be from 7:00 to 23:00 hours or as the manager determines for the convenience of the majority of the owners.

ARTICLE 31. Deleted

ARTICLE 32. All glass, ceramic or sharp objects are forbidden in the pool area.

ARTICLE 33. A. Children under 14 years of age must be accompanied by an adult when using the pool. The adult shall be responsible for the child.

B. Inflatable or other floating devices larger than 1.8M x .6M (6 feet by 3 feet) are not allowed in the pool.

C. All persons using the pool do so at their own risk.

D. Pool furniture may not be removed from the pool areas without prior approval from the homeowner office

E. Skating, skateboarding, scooters or disruptive behavior are not allowed in the pool areas at any time.

ARTICLE 34. Children whose physiological functions cannot be controlled must use appropriate swim diapers.

ARTICLE 35. Excessive noise that disturbs the peace of the neighborhood is not permitted at any time after 23:00 hours.

ARTICLE 36. The co-owner may put appropriate furniture on his terrace and have plants and flowers in appropriate receptacles, provided they do not differ radically from

those of adjacent units and do not modify the original terrace design.

ARTICLE 37. Deleted

ARTICLE 38. All equipment, garbage cans, tools, refrigerators, etc. must be hidden from the view of neighbors, streets and common areas. Garbage and waste must be in properly closed plastic bags and removed from the unit periodically by the co-owner who will deposit them in the assigned places.

ARTICLE 39. Deleted

ARTICLE 40. No antenna may be installed without permission of the Board of Directors.

ARTICLE 41. A co-owner who damages other units or common areas for whatever reason shall be directly responsible for and commits to pay the cost of the necessary repairs.

ARTICLE 42. No equipment, machinery or substance that causes or may cause danger, a health risk or annoyance may be installed or stored in the real estate.

ARTICLE 43. Each co-owner may use the common assets and enjoy the facilities and general services in accordance with their nature and for normal purposes without restricting or impeding their use by other co-owners.

ARTICLE 44. Co-owners exercise of the above rights and complaints regarding disturbance of the peace, danger or annoyance shall be addressed in writing to the Administrator who, depending on the importance of the issue, will report to the Board of Directors, which will deal with the incident as it sees fit or will send the matter to the assembly.

ARTICLE 45. Repairs and common, exclusive, private and general service costs of condominium area I, sections "A" and "B" shall be borne by all co-owners in proportion to the attached undivided area tables.

In order to clearly define the property rights related to the condominium and co-ownership of the indivisible areas and the infrastructure and exclusive or general services

per condominium property rights or development; three kinds of properties have been specified based on the provisions in effect stated in this clause:

Property for exclusive use

Common property for private use

Common property for general use

The indivisible area for exclusive use is the percentage represented by each apartment in relation to the total dwelling area of each building and shall apply to payment of maintenance and repair of the areas common to the building, such as: Stairs, vestibules, walls, ceilings, facilities, etc.

The indivisible area for private use is the percentage represented by each apartment in relation to the total areas common to the buildings included in each joint ownership and shall apply to payment for maintenance and repair of such portion such as walkways, green areas, etc.

The undivided portion of general use is the percentage representing each apartment in relation to the total general use services included in this development, and will be applicable to the fees payable for the maintenance and repair of such areas, as well as those corresponding to road systems, sewage water repumping cavity, sewage water recycling and all the condominium common services.

UNDIVIDED PERCENTAGE OF GENERAL USE COMMON PROPERTY

DESCRIPTION	LAND SURFACE Sq/M2	SQ..METERS OF CONST.	TOTAL VALUES UNITS	UNDIVIDED %
ESTATE "A" :				
A.1 CONDOMINIUM AREA I-"A"	14,570.05	12,773.04	142,300.45	38.55%
A.2 CONDOMINIUM AREA I-"B"	636.31	849.00	10,926.31	2.96%
A.3 CONDOMINIUM AREA II-"A"	4,154.11	0.00	4,154.11	1.13%
A.4 CONDOMINIUM AREA 11-"B"	648.59	0.00	648.59	0.18%
A.5 CONDOMINIUM AREA III	13,743.51	0.00	13,743.51	3.72%
A.6 CONDOMINIUM AREA IV	562.89	0.00	562.89	0.15%
A.7 CONDOMINIUM AREA V	4,865.32	0.00	4,665.32	1.32%
A.8 CLUB, RESTAURANT, BAR AND COMMERCIAL AREAS	4,577.67	1,725.42	21,831.67	5.91%
A.9 SERVICE AREA	97.02			
A.10 SEWAGE WATER PUMPING CAVITY AREA	316.12			
A.11 RECYCLING SEWAGE WATER PLANT AREA	494.00			
ESTATE "B" :				
B.12 HORIZONTAL CONDOMINIUM AREA	99,704.51	3,500.00	134,704.51	36.49%
B.13 MIXED CONDOMINIUM AREA BLOCK "Q"	10,081.77	5,582.80	10,081.77	2.73%
B.14 MIXED CONDOMINIUM AREA BLOCK "I"	20,022.62	0.00	20,022.62	5.42%
B.15 DEPOSIT AND BOAT STORAGE AREA	2,151.33	12.00	2,271.33	0.62%
B.16 RIDING CLUB AREA	3,000.08	0.00	3,000.08	0.81%
B. 17 GREEN AREAS				
T O T A L	179,625.90	30.138.44	369,113.36	100.00%

**UNDIVIDED PERCENTAGE OF GENERAL USE COMMON PROPERTY
OF CONDOMINIUM AREA I SECTIONS "A AND B"**

D E S C R I P T I O N	BUILDING AREA	BUILDING
"C" BUILDING AREA	2,149.32	6.4871 %
"D" BUILDING AREA	2,964.42	8.9473 %
"E" BUILDING AREA	1,866.69	5.6341 %
"F" BUILDING AREA	2,437.74	7.3576 %
"G" BUILDING AREA	3,354.87	10.125 %
"I" BUILDING AREA	849.00	2.96 %
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T O T A L	13,622.04	41.51 %

**UNDIVIDED PERCENTAGE OF PRIVATE USE COMMON PROPERTY
OF CONDOMINIUM, AREA I, SECTIONS "A AND B"**

D E S C R I P T I O N	BUILDING AREA	BUILDING
"C" BUILDING AREA	2,149.32	15.57%
"D" BUILDING AREA	2,964.42	21.48%
"E" BUILDING AREA	1,866.69	13.52%
"F" BUILDING AREA	2,437.74	17.66%
"G" BUILDING AREA	3,354.87	24.31%
"I" BUILDING AREA	849.00	7.46%
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T O T A L	13,622.04	100.00%

**“LA JOLLA DE LOS CABOS” TOURIST DEVELOPMENT
CALCULATION OF UNDIVIDED PART OF PRIVATE, EXCLUSIVE AND
GENERAL USE COMMON PROPERTY OF BUILDING "C" MULEGE, OF
CONDOMINIUM AREA I, SECTION "A"**

APART. NUMBER	APART. SURF.	UNDIVIDED PERCENTAGE EXCLUSIVE USE APART.	UNDIVIDED PERCENTAGE PARTICULAR USE APART.	UNDIVIDED PERCENTAGE GENERAL USE APART.
C-101	122.36	5.69%	0.886%	0.3690%
C-102	115.25	5.36%	0.835%	0.3484%
C-103	115.25	5.36%	0.835%	0.3484%
C-104	78.25	3.64%	0.567%	0.2360%
C-105	78.25	3.64%	0.567%	0.2360%
C-106	51.77	2.41%	0.375%	0.1561%
C-107	51.77	2.41%	0.375%	0.1561%
C-108	51.77	2.41%	0.375%	0.1561%
C-109	51.77	2.41%	0.375%	0.1561%
C-201	122.36	5.69%	0.886%	0.3690%
C-202	115.25	5.36%	0.835%	0.3484%
C-203	115.25	5.36%	0.835%	0.3484%
C-204	78.25	3.64%	0.567%	0.2360%
C-205	78.25	3.64%	0.567%	0.2360%
C-206	51.77	2.41%	0.375%	0.1561%
C-207	51.77	2.41%	0.375%	0.1561%
C-208	51.77	2.41%	0.375%	0.1561%
C-209	51.77	2.41%	0.375%	0.1561%
C-301	122.36	5.69%	0.886%	0.3484%
C-302	115.25	5.36%	0.835%	0.3690%
C-303	115.25	5.36%	0.835%	0.3484%
C-304	78.25	3.64%	0.567%	0.2360%
C-305	78.25	3.64%	0.567%	0.2360%
C-306	51.77	2.41%	0.375%	0.1561%
C-307	51.77	2.41%	0.375%	0.1561%
C-308	51.77	2.41%	0.375%	0.1561%
C-309	51.77	2.41%	0.375%	0.1561%
T O T A L	2,149.32	100.00%	15.57%	6.4871%

**“LA JOLLA DE LOS CABOS” TOURIST DEVELOPMENT
CALCULATION OF UNDIVIDED PART OF PRIVATE, EXCLUSIVE AND
GENERAL USE COMMON PROPERTY OF BUILDING "D" SAN
IGNACIO, OF CONDOMINIUM AREA I, ' SECTION "A"**

APART. NUMBER	APART. SURF.	UNDIVIDED PERCENTAGE EXCLUSIVE USE APART.	UNDIVIDED PERCENTAGE PARTICULAR USE APART.	UNDIVIDED PERCENTAGE GENERAL USE APART.
D-101	140.14	5.28%	1.134%	0.4223%
D-102	115.25	3.89%	0.835%	0.3480%
D-103	115.25	3.89%	0.835%	0.3480%
D-104	115.25	3.89%	0.835%	0.3480%
D-105	156.50	4.73%	1.015%	0.4715%
D-106	115.25	3.89%	0.835%	0.3480%
D-107	115.25	3.89%	0.835%	0.3480%
D-108	115.25	3.89%	0.835%	0.3480%
D-201	140.14	5.28%	1.134%	0.4223%
D-202	115.25	3.89%	0.835%	0.3480%
D-203	115.25	3.89%	0.835%	0.3480%
D-204	115.25	3.89%	0.835%	0.3480%
D-205	156.50	4.73%	1.015%	0.4715%
D-206	115.25	3.89%	0.835%	0.3480%
D-207	115.25	3.89%	0.835%	0.3480%
D-208	115.25	3.89%	0.835%	0.3480%
D-301	140.14	5.28%	1.134%	0.4223%
D-302	115.25	3.89%	0.835%	0.3480%
D-303	115.25	3.89%	0.835%	0.3480%
D-304	115.25	3.89%	0.835%	0.3480%
D-305	156.50	4.73%	1.015%	0.4715%
D-306	115.25	3.89%	0.835%	0.3480%
D-307	115.25	3.89%	0.835%	0.3480%
D-308	115.25	3.89%	0.835%	0.3480%
T O T A L	2,964.42	100.00%	21.48%	8.9473%

**“LA JOLLA DE LOS CABOS” TOURIST DEVELOPMENT
CALCULATION OF UNDIVIDED PART OF PRIVATE, EXCLUSIVE AND
GENERAL USE COMMON PROPERTY OF BUILDING "E" SAN JOSE,
OF CONDOMINIUM AREA I, ' SECTION "A"**

APART. NUMBER	APART. SURF.	UNDIVIDED PERCENTAGE EXCLUSIVE USE APART.	UNDIVIDED PERCENTAGE PARTICULAR USE APART.	UNDIVIDED PERCENTAGE GENERAL USE APART.
E-101	51.77	2.77%	0.375%	0.1561%
E-102	51.77	2.77%	0.375%	0.1561%
E-103	51.77	2.77%	0.375%	0.1561%
E-104	51.77	2.77%	0.375%	0.1561%
E-105	115.25	6.17%	0.835%	0.3485%
E-106	78.25	4.19%	0.567%	0.2360%
E-107	78.25	4.19%	0.567%	0.2360%
E-108	143.40	7.68%	1.039%	0.4326%
E-201	51.77	2.77%	0.375%	0.1561%
E-202	51.77	2.77%	0.375%	0.1561%
E-203	51.77	2.77%	0.375%	0.1561%
E-204	51.77	2.77%	0.375%	0.1561%
E-205	115.25	6.17%	0.835%	0.3485%
E-206	78.25	4.19%	0.567%	0.2360%
E-207	78.25	4.19%	0.567%	0.2360%
E-208	143.40	7.68%	1.039%	0.4326%
E-301	51.77	2.77%	0.375%	0.1561%
E-302	51.77	2.77%	0.375%	0.1561%
E-303	51.77	2.77%	0.375%	0.1561%
E-304	51.77	2.77%	0.375%	0.1561%
E-305	115.25	6.17%	0.835%	0.3485%
E-306	78.25	4.19%	0.567%	0.2360%
E-307	78.25	4.19%	0.567%	0.2360%
E-308	143.50	7.68%	1.039%	0.4326%
T O T A L	1,866.69	100.00%	13.52%	5.6341%

**“LA JOLLA DE LOS CABOS” TOURIST DEVELOPMENT
CALCULATION OF UNDIVIDED PART OF PRIVATE, EXCLUSIVE AND
GENERAL USB COMMON PROPERTY OF BUILDING “F” SAN LUCA8,
OF CONDOMINIUM AREA I, SECTION “A”**

APART. NUMBER	APART. SURF.	UNDIVIDED PERCENTAGE EXCLUSIVE USE APART.	UNDIVIDED PERCENTAGE PARTICULAR USE APART.	UNDIVIDED PERCENTAGE GENERAL USE APART.
F-101	51.77	2.12%	0.375%	0.1561%
F-102	51.77	2.59%	0.458%	0.1561%
F-103	51.77	2.12%	0.375%	0.1561%
F-104	51.77	2.12%	0.375%	0.1561%
F-105	115.25	4.73%	0.835%	0.3484%
F-106	78.25	3.21%	0.567%	0.2360%
F-107	78.25	3.21%	0.567%	0.2360%
F-108	115.25	4.73%	0.835%	0.3484%
F-109	51.77	2.12%	0.375%	0.1561%
F-110	51.77	2.12%	0.375%	0.1561%
F-111	63.19	2.12%	0.375%	0.1906%
F-112	51.77	2.12%	0.375%	0.1561%
F-201	51.77	2.12%	0.375%	0.1561%
F-202	51.77	2.59%	0.458%	0.1561%
F-203	51.77	2.12%	0.375%	0.1561%
F-204	51.77	2.12%	0.375%	0.1561%
F-205	115.25	4.73%	0.835%	0.3484%
F-206	78.25	3.21%	0.567%	0.2360%
F-207	78.25	3.21%	0.567%	0.2360%
F-208	115.25	4.73%	0.835%	0.3484%
F-209	51.77	2.12%	0.375%	0.1561%
F-210	51.77	2.12%	0.375%	0.1561%
F-211	63.19	2.12%	0.375%	0.1906%
F-212	51.77	2.12%	0.375%	0.1561%
F-301	51.77	2.12%	0.375%	0.1561%
F-302	51.77	2.59%	0.458%	0.1561%
F-303	51.77	2.12%	0.375%	0.1561%
F-304	51.77	2.12%	0.375%	0.1561%
F-305	115.25	4.73%	0.835%	0.3484%
F-306	78.25	3.21%	0.567%	0.2360%
F-307	78.25	3.21%	0.567%	0.2360%
F-308	115.25	4.73%	0.835%	0.3484%
F-309	51.77	2.12%	0.375%	0.1561%
F-310	51.77	2.12%	0.375%	0.1561%
F-311	63.19	2.12%	0.375%	0.1906%
F-312	51.77	2.12%	0.375%	0.1561%
T O T A L	2,437.74	100.00%	17.66%	7.3576%

**“LA JOLLA DE LOS CABOS” TOURIST DEVELOPMENT .
 CALCULATION OF UNDIVIDED PART OF PRIVATE, EXCLUSIVE AND
 GENERAL USE COMMON PROPERTY OF BUILDING "G" TODOS
 SANTOS, OF CONDOMINIUM AREA I, SECTION "A"**

APART. NUMBER	APART. SURF.	UNDIVIDED PERCENTAGE EXCLUSIVE USE APART.	UNDIVIDED PERCENTAGE PARTICULAR USE APART.	UNDIVIDED PERCENTAGE GENERAL USE APART.
G-101	140.14	4.18%	1.015%	0.4226%
G-102	115.25	3.44%	0.835%	0.3484%
G-103	156.50	4.66%	1.134%	0.4720%
G-104	115.25	3.44%	0.835%	0.3484%
G-105	115.25	3.44%	0.835%	0.3484%
G-106	156.50	4.66%	1.134%	0.4720%
G-107	143.40	4.27%	1.039%	0.4324%
G-201	140.14	4.18%	1.015%	0.4226%
G-202	115.25	3.44%	0.835%	0.3484%
G-203	156.50	4.66%	1.134%	0.4720%
G-204	115.25	3.44%	0.835%	0.3484%
G-205	115.25	3.44%	0.835%	0.3484%
G-206	156.50	4.66%	1.134%	0.4720%
G-207	143.40	4.27%	1.039%	0.4324%
G-301	140.14	4.18%	1.015%	0.4226%
G-302	115.25	3.44%	0.835%	0.3484%
G-303	156.50	4.66%	1.134%	0.4720%
G-304	115.25	3.44%	0.835%	0.3484%
G-305	115.25	3.44%	0.835%	0.3484%
G-306	156.50	4.66%	1.134%	0.4720%
G-307	143.40	4.27%	1.039%	0.4324%
G-404	264.00	7.87%	1.913%	0.7962%
G-405	264.00	7.87%	1.913%	0.7962%
T O T A L	3,354.87	100.00%	24.31%	10.1257%

TITLE TWO

CHAPTER II

SHARED CHARGES, REPAIRS AND PAYMENTS

ARTICLE 46. Common charges are understood as the cost of preserving the common assets, rendering of common services and creation of a reserve fund. This fund shall have a minimum one-quarter of the annual expenses budget and shall be used exclusively to cover the deficit due to possible delay in payment of the related fees, for legal collection expenses and for unbudgeted common expenses. It must be replaced within the following six months by contractual penalties, late payment interests, fruits or products of common assets and if it is insufficient, to the proportional contributions.

ARTICLE 47. Shared charges are:

- A) Repair and preservation expenses of any nature required by the different joint ownership parts of the real estate.
- B) Wages, salaries, fringe benefits and any bonuses for management and service personnel.
- C) Water and electricity consumption of all common parts.
- D) Taxes, rates, and contributions of whatever nature levied on the real estate as a shared thing.
- E) New works authorized by the co-owners' association.
- F) Innovations and improvements in general authorized under the bylaw conditions.
- G) Payment of the condominium's general insurance premium.
- H) Complex reconstruction expenses in the event of partial destruction of at least two-thirds of the complex value or in the case of obsolescence and when reconstruction thereof has been resolved, observing the legal provisions that apply to co-

ownership estate property in the State of Baja California Sur.

ARTICLE 48. Payment of the maintenance and management fund shall be calculated in annual payments, to be made every six months in advance, within the first 10 days of January and July in the management office or to the bank designated by the Administrator. Each co-owner shall absorb the real estate management, preservation and operating expenses in proportion to his private part and in relation to the total value in accordance with the indivisible units table described in article 45 hereof.

ARTICLE 49. The Administrator shall have the powers assigned to him by the Board of Directors, the Assembly and the By-laws. Therefore, a general budget for repairs and costs of the exclusive and private common services of the condominium area I, sections "A" and "B" and of the general use shared services of the entire development shall be set up, to be maintained by the co-owners in accordance with the indivisible tables attached in article 45 of these bylaws.

ARTICLE 50. While unused, the reserve fund may be invested in insured securities under the Prudent Man Rule.

ARTICLE 51. The benefited co-owners shall be responsible for service works and facilities, which are solely for a part of the residential complex and special related expenses.

ARTICLE 52. The co-owner who does not pay his fees or any other debt punctually shall pay a 3% monthly interest for the entire time of the delay, months which are begun being understood as completed. After three months of default, he shall also pay a contractual penalty of 50% of the monthly total of his fee for each month of default. This contractual penalty and the related interest shall increase or maintain the reserve fund.

ARTICLE 53. Following the months default mentioned in the above article, when a co-owner does not pay his debt, the Administrator may take the appropriate legal action, including but not limited to foreclosing on said unit. The co-owner shall be responsible for the damages his default causes.

TITLE THREE

THE CO-OWNERS' ASSEMBLY AND THE BOARD OF DIRECTORS

CHAPTER I

THE ASSEMBLY

ARTICLE 54. The co-owner's assembly is the supreme body of the condominium and shall have the power to elect and remove the Administrator and Board of Directors.

ARTICLE 55. The co-owners' assembly shall be comprised of all the co-owners and each one shall have the number of votes commensurate with the private use indivisible unit percentage his apartment represents in the whole condominium in accordance with the indivisible units table of article 45 hereof.

ARTICLE 56. The assemblies shall be ordinary or extraordinary.

ARTICLE 57. Assembly notices shall be made at least ten days in advance of the meeting and shall indicate the place, month, day and time as well as the agenda. Co-owners shall be notified in writing, fax or email.

ARTICLE 58. Ordinary assemblies shall meet at least once a year during the last quarter of the calendar year.

ARTICLE 59. Co-Owners may call an assembly without the Administrator intervention when they show to a competent judge that they represent a minimum one-quarter of the indivisible part of the condominium according to the indivisible parts table described in article 45 hereof.

ARTICLE 60. Once the assembly has been called, it may not be held without representation of 90% of the indivisible condominium part on a first notice; on a second notice, the quorum shall be a minimum 51% of such indivisible part. On a third notice, resolutions shall be carried by simple majority of those present. Voting shall be personal, by name and direct. If a co-owner is absent,

he may be represented by another co-owner via power of attorney instrument, (proxy). This representation may never exceed two representations in addition to the representative's own.

ARTICLE 61. When a co-owner has created a real or personal guarantee on the condominium, the creditor shall exercise the right to vote in a proportion equal to the outstanding debt unless there is a covenant otherwise.

ARTICLE 62. Deleted

ARTICLE 63. A. If a co-owner defaults on payment of his duties contracted in title two, chapter I hereof including maintenance and assessments approved by the Assembly, he shall not have the right to vote until the amounts owed have been paid to the management. He may not run for any office until the amounts due have been paid.

B. In addition such co-owner and anyone using his unit shall lose parking privileges, use of the pools and television services.

ARTICLE 64. Assembly decisions shall be carried by simple majority vote except when the provisions applicable to the Real Estate Condominium property Law for Mexico orders a specific majority.

ARTICLE 65. Assemblies shall be presided over by a chairman elected from among the co-owners present. The assembly shall also designate two tellers and the representative of the Administrator shall act as secretary for meetings.

ARTICLE 66. The secretary shall run a minute book authorized by the State Government. The secretary, the assembly chairman and the Board of Directors president shall authorize the minutes.

ARTICLE 67. The secretary shall always have the minute book available to the co-owners and shall inform them in writing of the assembly's resolutions.

ARTICLE 68. All records in the minute book and in any other official condominium document shall be in Spanish. The secretary shall have the minutes translated to English

and certified by an official translator and make the translation available to co-owners or users who request it.

ARTICLE 69. The resolutions of the assembly pursuant to these bylaws and the other applicable legal provisions bind all co-owners, including those absent or dissenting, and users.

ARTICLE 70. The assembly may elect and remove the Administrator, and set his/her remuneration and the guarantee he/she must furnish for faithful performance of his/her job and handling of the funds in his/her care.

ARTICLE 71. The assembly may examine and approve the annual account statement from the Administrator and the Board of Directors, discuss and approve the expense budget for the next period and the distribution of fees co-owners must pay to cover such budget in accordance with the indivisible parts table. The assembly shall adopt the appropriate measures in relation to matters of common interest not contained in the functions conferred on the Administrator.

TITLE THREE

THE CO-OWNERS' ASSEMBLY AND THE BOARD OF DIRECTORS

CHAPTER II

THE BOARD OF DIRECTORS

ARTICLE 72. A. The Assembly shall elect a Board of Directors of five co-owners. It shall deal with business urgently requiring attention by the Assembly. The Board of Directors shall have all of the powers and duties specified in article 30 of the law applicable to the Real Estate co-ownership provisions in the state of Baja California Sur which reads verbatim: "Co-Owners shall be administered by the individual or corporation designated by the Assembly pursuant to this law and this regulation".

B. The Board of Directors shall hire an Administrator.

C. The Board of Directors will have the following functions and obligations:

I. Make sure that the Administrator fulfills all the agreements of the general assembly;

II. Supervise that the Administrator achieves the fulfillment of his/her functions;

III. Hire and give end to professional services.

IV. Verify and give its judgment about the financial statements that the Administrator should present to the General Assembly:

V. Verify and supervise the funds investments;

VI. Give a report to the Assembly about the condominium administration;

VII. Help the Administrator in telling the owners about the fulfillment of their obligations;

ARTICLE 73. The assembly shall set the remuneration of the Board of Directors, whose members may agree to undertake the office gratis.

ARTICLE 74. The members of the Board of Directors shall remain in the office for two years from the date of election and may be re-elected. A member may be removed by the Assembly because of serious failure in performing their office.

TITLE FOUR

THE ADMINISTRATOR

SINGLE CHAPTER

ARTICLE 75. The general co-owners Assembly has the power to elect the Board of Directors who shall hire an Administrator.

ARTICLE 76. The Administrator is responsible for caring for and overseeing the condominium assets and the shared services, and for promoting integration and development

of the community. He shall perform with full representation and shall have a general power of attorney for suits and collections and for administrative acts, with all general powers, including those that by law require a special clause and without restriction, pursuant to the first two paragraphs of article 2, 554 of the civil code for the State of Baja California Sur and the correlative or concordant articles of the civil codes of each of the States of Mexico, to file and abandon "Amparo" (constitutional lawsuit for the protection of individual Rights. Translator) cases, to file or act in complaints, denunciations, criminal investigation or accusations, and to abandon them, to become State's witness and to grant to the pardon of the victim, By way of illustration and no restriction, in accordance with article 2,587 of the civil code for Baja California Sur, the correlative or concordant articles of the civil codes of each of the States of Mexico, the agents shall be empowered to desist, to settle, to submit to arbitration, to prepare and answer interrogatories, to make assignment or property, to challenge, to make or receive payments and for all the other actions expressly determined by Law, and they may exercise these powers before all classes of private parties or tax, administrative, judicial or labor authorities, whether city, local or federal. They were especially granted powers to act indistinctly as the corporation's legal representatives with special power for administrative acts, including all general and such special powers which by Law require a special clause pursuant to the second paragraph of article 2, 554 of the civil code for the Federal District and correlative and concordant articles of the civil codes of each of the States of Mexico for all the effects prescribed in article 11,692 section I, II and III in relation to articles 786 and 876 of the Federal Labor Law, including by way of illustration and not restriction, representation of the corporation in the conciliation, suit and exceptions, filing and admission of evidence hearings the corporation is summoned to, as well as the negotiation of individual and collective labor agreements.

The agent is empowered to grant general or special powers of attorney with the faculties he considers pertinent within his sphere, and to revoke those he grants in accordance with the powers conferred on him.

ARTICLE 77. The Administrator is responsible for:

- A) Running a register duly authorized by the State Government of Baja California Sur of creditors who declare their decision to attend assemblies within the first month after creation of the loans or in January of each year.
- B) Caring for and overseeing the condominium assets and the shared services, and promoting the integration, organization and development of the community.
- C) Obtaining and maintaining books and documents related to the condominium.
- D) Attending to complaints from co-owners in relation to operation of the general services and facilities.
- E) Performing all administrative and preservation actions.
- F) Carrying out the necessary work to keep the condominium in a good state of security, stability and conservation and in order that the services operate normally and efficiently in accordance with the mentioned Law.
- G) Executing the resolutions of the assembly.
- H) Checking collection of fees related to the maintenance and administration and the reserve funds.
- I) Making the condominium maintenance and administrative expenditures, and charging to related fund.
- J) Checking that receipts are delivered to each co-owner for the amounts he has contributed to the maintenance, management and reserve fund.
- K) Maintaining a list of expenses charged to the maintenance and management fund.
- L) Maintaining a list that shows the contributions and fees pending payment, and stating the balance pending.

- M) Calling the assembly at least ten days in advance of the meeting date, indicating the place, day, time and agenda.
- N) Notifying the co-owners and registered creditors or their representatives in writing of the assemblies at the place they have indicated for this purpose.
- O) Placing assembly notices in one or more visible sites of the condominium.
- P) Representing the other co-owners, requiring the offender to comply with responsibilities incurred under the Law of reference.
- Q) Caring for due observance of the provisions of the Condominium Law and Bylaws and for deed whereby property is conveyed to co-owners.
- R) Performing the other functions the Co- owners Assembly and Board of Directors assigns to it and meeting its obligations established by law, the condominium bylaws and the other applicable legal provisions.
- S) Maintaining a register of previous resolutions of the General Assembly

ARTICLE 78. The Administrator shall be jointly responsible with those who have preceded him for the irregularities they have fallen into, if knowing of them; he does not inform the assembly called immediately for such purpose.

ARTICLE 79. The Administrator may be freely removed by resolution of the 75% of the Assembly when he/she fails to perform any of his/her obligations or due to absence that prevents his/her effective performance.

ARTICLE 80. If the representative of the Administrator commits any irregularity in performing his duties, the Board of Directors shall call the assembly if necessary, notifying the representative of the Administrator to attend. Depending on the seriousness of the events, the assembly shall decide on his removal or on bringing suit with the competent authorities.

ARTICLE 81. The insurance covering all reasonably possible risks shall be economically maintained for private and common areas and for special facilities.

ARTICLE 82. In the case of partial destruction or loss, the Administrator shall receive the related indemnity, to be used exclusively to return things to their original condition if the assembly so determines. In the case of total loss, chapter VII of the Proprietary rights and Co-Ownership regulating Law of the State of Baja California Sur shall apply.

TITLE FIVE

CONDOMINIUM EXPIRATION AND DISSOLUTION

SINGLE CHAPTER

ARTICLE 83. The condominium which is the object of these Bylaws may only expire in the following cases:

A)By resolution of the co-owners assembly with a 66% majority of the entire condominium.

B)Because the real estate is threatened with ruin or is partially or totally destroyed and the co-owners request expiration of the Proprietary Rights and Co-Ownership system pursuant to articles 42 and 43 of the proprietary Rights and Co-ownership regulating Law of the State of Baja California Sur.

ARTICLE 84. In the case of the preceding article, the corresponding condominium cancellation shall be made in the public real estate records office.

ARTICLE 85. All actions, operations or negotiations related to the expiration and dissolution of the condominium shall be made by the Board of Directors or by the person designated as the condominium liquidator appointed by the proprietor's assembly by 66% of the present and proxy votes.

ARTICLE 86. In all cases during the expiration or dissolution phase, the Board of Directors or liquidator shall be subject to the resolutions of the proprietor's assembly carried by 66%

of the present and proxy votes. If the required majority is not met, the question shall be submitted for resolution by the court.

ARTICLE 87. In the case of obsolescence, demolition of all structures shall be contracted with a demolition company. Demolition shall begin once all the dwelling places have been vacated.

ARTICLE 88. Once the condominium as expired, the land shall be sold and both the product of this sale and that of the sale of materials resulting from demolition, as well as the existing reserve funds shall be shared between the co-owners in proportion to the indivisible parts table which forms a part of these bylaws.

ARTICLE 89. The distribution mentioned in the above article shall be made after all the pending obligations cause by management and the condominium expiration costs have been met.

ARTICLE 90. An expert appraiser registered in the National Banking and Insurance Association shall set the values of the land and of the products of demolition and shall never be less than those prevailing on the market.

TITLE SIX

COMPLEMENTARY PROVISIONS

SINGLE CHAPTER

ARTICLE 91. For modification of these Bylaws, the notice of meeting shall indicate the agenda and the proposed modification. Those modifications must be approved by 66% of the indivisible part of the condominium according to the indivisible parts table described in article 45 hereof.

What is not provided for in these bylaws shall be decided in accordance with the Proprietary Rights and CO-ownership regulating provisions of the State of Baja California Sur, the Proprietary Rights and Co-ownership charter and proper custom.

ARTICLE 92. Disputes caused by interpretation and application of the mentioned regulating Law and Provisions, the charter and the conveyance of dominion, as well as of the other applicable legal provisions shall be submitted to arbitration by the competent courts.

San Jose del Cabo, B.C.S.,

This is a translation of the Spanish language version of the Condominium Regime (by-laws) registered with the State of Baja California Sur. In all cases the Spanish language version will be the ruling copy.