



ASOCIACIÓN DE VECINOS DEL FRACCIONAMIENTO
CHULA VISTA NORTE A.C.

**RULES AND REGULATIONS
ADMINISTRATION AND CONSTRUCTION**

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CHAPTER ONE

GENERAL PROVISIONS

ARTICLE 1. Provisions of these Regulations will apply to the land and constructions that make up or become a part of the subdivision called CHULA VISTA NORTE, hereinafter “the subdivision”.

ARTICLE 2. The rights and obligations of the owners, as well as the administration and operation of the subdivision will be ruled by: 1) The current Civil Code for the State of Jalisco. 2) Provisions and standards of the Chapala Municipality. 3) The resolutions legally made by the General Meetings of the subdivision owners.

ARTICLE 3. The objective of these rules and regulations is to prescribe the use and development of the property, the preservation of the environment and guaranteeing the appropriate operation and use of the subdivision installations and infrastructure.

The application and interpretation of these Regulations should always be considered as an attempt to benefit the common interests of all owners, allowing the development of a residential subdivision that is healthy, tranquil, peaceful and respectful, as well as seeking the increase in value of real properties.

ARTICLE 4. The observance of and compliance with these provisions is mandatory for all owners of lots and houses, as well as for all landlords, tenants, developers, users, and visitors of any kind, who will be responsible for damages originated due to their noncompliance.

ARTICLE 5. The administration and application of these regulations is entrusted to the Asociación de Vecinos del Fraccionamiento CHULA VISTA NORTE through its Board of Directors.

ARTICLE 6. For purposes of interpretation and determination of the scope of these regulations, it shall be understood that:

- I. Subdivision:** is Chula Vista Norte, which consists of a geographically defined area especially designated for the establishment of a residential area, which by its very nature requires adequate and efficient spaces, infrastructure facilities and services in accordance with the highest standards of living for the inhabitants of this subdivision.
- II. Urban Project:** The land use plan approved by the competent authority through zoning regulations for urban areas in general, which defines boundaries within the subdivision, common areas, service areas and

ecological reserves.

- III. **Association:** The Asociación de Vecinos de Fraccionamiento Chula Vista Norte, A.C.
- IV. **Board of Directors:** Board of Directors of the Asociación de Vecinos del Fraccionamiento Chula Vista Norte, A.C., approved by the General Meeting.
- V. **General Meeting:** The supreme body of the Association. A General Meeting is constituted when there is a quorum of members as indicated in the applicable bylaws. The General Meeting may be Regular or Special.
- VI. **Construction Technical Committee (CTC):** is a body under the supervision of the Board of Directors responsible for enforcing the technical requirements of these regulations as they relate to construction work within the subdivision.
- VII. **Bylaws:** Bylaws of the Asociación de Vecinos del Fraccionamiento Chula Vista Norte, A.C.
- VIII. **Owner:** Is the individual or legal entity that, as owner, has acquired the ownership of a private unit in the subdivision.
- IX. **User:** An individual who directly or indirectly has contracted obligations and rights from an owner, whether as a resident, family member, visitor, employee, lessee, tenant or persons cohabiting in the private unit.

CHAPTER TWO OWNERSHIP AND OWNERSHIP LIMITATIONS

ARTICLE 7. In accordance with Article 15, Section XX of the Urban Development Law and the Partial Plan of the Municipality of Chapala, Jalisco, the subdivision will be used exclusively for low-density residential use H2U (single-family); subdividing lots into parts is prohibited.

ARTICLE 8. The construction of more than one single-family dwelling in each private unit is prohibited.

ARTICLE 9. When an owner acquires two or more adjacent private units and proposes the construction of a single dwelling therein, he shall submit a request to the Technical Construction Committee to analyze and approve his project, identifying the easements and particular conditions.

ARTICLE 10. Each owner is the exclusive owner of his/her lot or house, but not of the elements considered as goods located in common areas.

ARTICLE 11. The following are common goods:

- A) Areas that are not within the boundaries of lots or houses and trees or plants attached to such areas, as well as porches, guardhouses, entrance gates, gardens, walkways, parking lots, roads, signage, etc.

- B) The general facilities of common services such as the Association's office, lighting poles, yards and garbage containers.
- C) Works, installations, equipment, machinery and other objects for common use or enjoyment, such as cisterns, water tanks (*tinacos*), pumps, motors, water, drainage, electricity and gas distribution systems and conduits.

ARTICLE 12. In case that an owner wishes to install any of the above-mentioned elements on his own, he must first obtain authorization from the Board of Directors, as well as from the Municipality of Chapala by obtaining the corresponding permit. Any addition or modification to a common area becomes property of the Association. The Board of Directors reserves the right to remove or alter any addition to the common property.

ARTICLE 13. Each owner may use and look after the proper use of the property and common elements, and enjoy the services and general facilities in accordance with their ordinary nature without restricting or making onerous the right of the others.

ARTICLE 14. The Board of Directors is in charge of the common areas, their use, decoration and maintenance, and shall manage said spaces as it deems convenient.

ARTICLE 15. No private unit or part thereof may be opened or destined for use as a street, road or passageway, or used as such, whether privately or publicly.

ARTICLE 16. In the event that private units are not built, the owner is responsible for providing the necessary maintenance so that they are pleasing to the eye and free of pests, excessive weeds and trees that may obstruct the view of the neighbors.

ARTICLE 17. It is not allowed to store any kind of materials or to park vehicles either temporarily or permanently in any undeveloped lot. The only exception shall be when a lot is in the process of construction and the owner has written permission from the owner of the adjoining land where the materials for such construction will be stored.

CHAPTER THREE RIGHTS AND OBLIGATIONS OF THE OWNERS

ARTICLE 18. Every owner of a lot in the subdivision shall be a member of the Association and as such, will have the rights and obligations herein stipulated.

ARTICLE 19. The owners of lots and houses shall use their properties in an orderly and peaceful manner, subject to the limitations and prohibitions of these regulations. Therefore, they may not use them for uses contrary to morals or good customs, nor carry out any action that disturbs the tranquility of the other owners and that compromises the safety, health or comfort of neighbors, nor incur in omissions that produce the same results.

ARTICLE 20. All commercial or industrial activities of any kind are prohibited in the subdivision, particularly hazardous industrial activities. Also prohibited is the use for parking recreational vehicles (trailer park) as well as nursing homes, boarding houses, garbage dumps, slaughterhouses, cemeteries, prisons, cattle raising, distilleries, foundries, manufacturing, food processing, storage of flammable or explosive materials.

ARTICLE 21. Any damage caused to the common areas by the owners or by persons in the subdivision shall be repaired and paid for by the owner who caused said damage.

ARTICLE 22. Owners who lease their lot or house shall be responsible for the execution and compliance with the conditions imposed by these Regulations, as well as for payment of fines in case of violations thereof.

The owners who rent their homes shall submit the following information 15 days prior to the first day of occupancy:

1. Tenant's Name.
2. A copy of the official identification with photograph of the tenant
3. Tenant's phone number
4. Tenant's email
5. First day of the tenant's occupancy.

ARTICLE 23. In the transfer and/or purchase and sale transactions, the selling owner must ensure that the buyer receives a copy of the current subdivision Regulations and expressly accepts its contents.

ARTICLE 24. The subdivision streets may not be used for daily parking. This is allowed only on an occasional basis or by temporary visitors.

It is not permitted to leave a vehicle on the subdivision streets for more than 05 days. Should this happen, the Board of Directors may request its removal from the competent authority at the expense of its owner or responsible resident.

ARTICLE 25. It is strictly forbidden to park within the private units, roads and common areas in general, vehicles over three tons, cargo trucks or passenger buses, as well as inoperable or crashed vehicles that due to their maneuverability represent a difficulty for the interior traffic or may represent a danger to owners, private units or common areas. Vehicles may not be dismantled, assembled or repaired inside any private unit, except in the case of urgent, minor and necessary repairs.

ARTICLE 26. In cases of transfer of ownership it shall be mandatory for the owners to obtain from the Association administration, proof of no debt of regular fees, special

assessments, or any other, and said proof must be shown to the Notary Public before whom the transfer is formalized, who shall not authorize any deed without having ascertained that this requirement has been complied with. In the event that the property is transferred without payment of the monthly fees, special assessments, fines and surcharges, if any, the new owner assumes full responsibility for their payment, and the Board of Directors and the Association Administrator are authorized to apply the fines, surcharges and penalties established in these regulations until they are paid in full and to the satisfaction of the administration.

CHAPTER FOUR SUBDIVISION MAINTENANCE AND OPERATION

ARTICLE 27. All owners shall cooperate with the maintenance of the subdivision by ensuring its cleanliness, and therefore shall refrain from throwing trash or garbage in the common areas, as well as in the uncovered areas of their own private units and those of others.

ARTICLE 28. The garbage collection service to be contracted out to a private company by the Association administration, which shall have the authority to contract with the municipal authorities or private companies for this purpose. The location of garbage yards shall be hidden in designated areas. Garbage shall be deposited by the owners in the designated yards, in closed bags or boxes to avoid spilling the contents.

ARTICLE 29. With with the passage of time or circumstances, some trees planted in private or common areas become a threat of public damage or block the view of a neighbor, they must be pruned or cut by the owner in the first case and by the Association's administration in the second, charged to the maintenance and administration budget. If the owner refuses or omits to prune the tree on his property despite having been notified at least twice by the Administration, he shall be guilty of a punishable offense in accordance with provisions of these Regulations.

ARTICLE 30. All interior landscaping, whether in private or common areas, shall be subject to supervision, control and vigilance by the association administration, which may make recommendations and take all kinds of actions to guarantee the orderly management of trees, as well as to avoid or stop propagation of pests or infectious sources that may damage the ecology and quality of life within the subdivision. In case the owners do not regularly carry out the interior landscaping of their private units and this results in an affectation to the image of the subdivision, the administration is authorized to request such landscaping from the owner who caused it. If the owner refuses or omits to maintain his landscaping within his private property in accordance with provisions of this article, notwithstanding having been notified at least twice by the Administration, he shall be guilty of a punishable offense in accordance with provisions of these Regulations.

ARTICLE 31. Only tree species which roots do not damage the infrastructure of the

subdivision or any of the neighboring foundation structures may be planted, since if this occurs, the tree owner shall be responsible for repairing damages caused by such situation. The height of the trees may not be greater than the height of the construction of the properties where these species are planted. Trees planted within private units must not exceed six (6.00) meters in height. The hedges and foliage fences shall not be higher than one (1.0) meter in the case of front fences and 1.60 meters in the case of perimeter fences, taking care not to affect the view of the neighbors. Prior to any tree entering the subdivision it must have written approval from the administration. In case of not having such authorization, the administration will be empowered to deny access to the tree.

ARTICLE 32. Owners are authorized to introduce pets according to one of the categories in the following table:

CATEGORY "A": Domestic cats, maximum 2 specimens.

CATEGORY "B": Dogs weighing less than 15 Kg, maximum 2 specimens.

CATEGORY "C": Dogs weighing more than 15 Kg, maximum 1 specimen.

It is understood that there may be combinations of the above, but never more than three pets of this type per private unit.

ARTICLE 33. Owners are not allowed to keep within the boundaries of the subdivision animals that cause environmental pollution or discomfort such as reptiles, cattle, chickens, ducks, large birds, etc.

ARTICLE 34. Pets must not be dangerous or noisy and must remain within the private units. When domestic animals travel through the common areas, they must be accompanied by a person and be controlled by the latter with the necessary elements (leash), taking care that they do not cause damage to third parties or deteriorate property or make a mess, and the person must clean up any excrement that such animals may produce, and yield the right of way to the persons walking along the subdivision roads and common areas. Dogs that bark excessively or animals that by their nature produce noise are not allowed.

Owners are the only ones responsible for their pets, as well as for any damage they may cause to any person or property within the subdivision.

In case of violation of provisions set forth in this Article, the Administrator shall give written notice to the offending owner on two occasions, after which he shall have the broadest powers to pick up the pets and confine them, or give notice to the pertaining authorities so that they may do so. Likewise, the owners shall be financially responsible for damages caused by their pets within the subdivision.

ARTICLE 35. Owners may not use equipment within the subdivision which produces sounds that cause discomfort to their neighbors, with sound emissions which volumes exceed the normal tolerance limits established by the applicable Laws and Regulations. Between 11:00 P.M. and 10:00 A.M., owners may not use sound equipment outside their private areas.

ARTICLE 36. It is prohibited to produce scandalous noises, sound devices and parties that disturb the other neighbors or that are outside the permitted hours. Events, meetings and parties in private units must be held inside the property, and in the event, they are intended to be held at night, they will only be allowed on Fridays or Saturdays, or on days when the following day is a holiday and not a working day. The sound of music, noise and conversations at a higher volume but tolerable to the adjacent neighbors must not exceed 1:00 a.m., with the exception of December 24 and 31, which may be up to 2:00 A.M. At private events, residents must not allow their guests to be loud on the subdivision streets or to drink alcoholic beverages in common areas. The Administration may impose sanctions to residents as established in these Regulations in the event that they repeatedly (more than two occasions) do not heed the calls of attention by the Administration said residents and/or guests constantly incur in the violations and faults indicated in this Article.

ARTICLE 37. Under no circumstances shall the use of fireworks that may endanger persons or private units or common property be allowed, and therefore their storage, possession and use is strictly prohibited.

ARTICLE 38. Any type of exterior advertisement or publicity is prohibited, except for signs simply indicating the name of the person or family living in the dwelling, which may not exceed 30 x 40 x 40 centimeters. In the case of signs advertising the sale or rental of private units, such signs may not exceed 30 x 60 centimeters.

ARTICLE 39. House alarms shall be adjusted to be connected to their own security center in such a way that when activated they do not cause nuisance to the neighbors and, otherwise, their sound effects are automatically controlled to be interrupted when their function is fulfilled. The owner (especially those who do not reside permanently in their home) must provide the administration and a neighbor with convenient means of contact to deactivate the alarm in their absence.

ARTICLE 40. It is prohibited to hang clothes or place objects that do not correspond on ceilings, roofs, terraces, easements, facades, windows, balconies and railings, as well as to keep on roofs, terraces and interior gardens cleaning utensils, tools and objects that do not pertain to the normal decoration and service of the dwellings.

ARTICLE 41. It is forbidden to use the services of the staff dependent on the Association's Administration, such as security guards, gardeners, caretakers, maintenance personnel, etc., for private benefit; gratuities or tips that impose moral commitments of said staff to any owner are also forbidden.

ARTICLE 42. The entrance booths are for common use and shall house the guards and the necessary elements to provide optimum security and control access to the Subdivision. Both the personnel and the facility may only be in charge of the Board of Directors and the Administration, therefore no owner outside the Board may give orders to said workers or make use of this installation.

Guards hired for security must be responsible for watching over the entrance, applying and complying with provisions of this chapter and others related to their performance contained in these Regulations, and assisting in the application of the rest of the rules whenever possible. Likewise, they shall abide by and enforce compliance with provisions defined by the General Meeting or the Board of Directors.

ARTICLE 43. The hours of admission of visitors shall be from 08:00 to 23:00 hours. Outside such hours, visitors shall not be allowed access unless authorized by the owner, who shall give prior or immediate notice to the guard on duty. In case of unexpected or emergency visits, visitors must notify the owner on their own to authorize their entry.

ARTICLE 44. Surveillance and security personnel must be respected by residents and visitors. No one may order the personnel working in the guardhouse to do special jobs or favors, or demand access that would have been prohibited according to these Regulations. Any lack of respect or aggressive behavior towards these employees or misuse of the entrance booth will be reported to the administrator and will be considered a serious offense, with the application of the corresponding sanction.

ARTICLE 45. Circulation of vehicles shall be within the roads expressly established for such purpose, respecting the existing signs within the subdivision; in particular, a speed limit shall be observed, which in no case shall exceed 30 kilometers per hour. In case of pedestrian traffic on the roads, drivers must invariably yield the right-of-way to pedestrians. The use of horns within the subdivision is prohibited.

CHAPTER FIVE CONSTRUCTION

ARTICLE 46. The Technical Construction Committee (TCC) is the body of the Association that shall assist the Assembly, the Board of Directors and the Administrator in all activities related to the construction of properties in the subdivision. Its purpose is to guarantee to the community of owners that constructions are carried out in accordance with the construction regulations, with an aesthetic architectural development compatible with the ecology and the environment, as well as respecting the spaces that allow a healthy coexistence among owners.

ARTICLE 47. Said Committee is the only body empowered to authorize projects, constructions and supervise the works to be executed. It has the authority to denounce before the competent authorities and request the suspension of any building that does not comply with provisions herein contained. The TCC will be made up by two members knowledgeable in the matter, preferably Architects or Engineers, who will not be able to receive compensation of any nature.

ARTICLE 48. The construction coefficient (C.U.S. and C.O.S.) shall not exceed 60% of the total area of the lot. Attached constructions such as swimming pools, barbecues, fountains, gardens, verandas or sports courts without roofs shall not be

considered as constructed for the purpose of calculating the construction coefficient (C.U.S. and C.O.S.).

ARTICLE 49. The following standards shall be part of the requirements of any building, whether new or remodeling of existing buildings:

- A) The maximum height is six (6.0) meters above the curb of the street that gives access to the lot. If this street has a slope, the average level between the highest and lowest point of the street will be taken as a base.
- B) In the case of lots bordering two or more streets, the level of the highest street in relation to the level of Chapala Lake will be considered.
- C) It is not allowed to place water tanks, verandas, mechanical equipment, solar panels, antennas, lamps, etc. above the 6.0-meter height established in the previous paragraph.
- D) At least 40% of the surface of each lot must be left as open area, except in the case of lots that are part of private condominiums that have been previously authorized, in which case this restriction will not exist
- E) Each building shall be separated from adjoining lots by at least 1.0 meter, except for the foundations, which may extend to the property boundary. The separation shall be 3.0 meters from the rear boundary and 3.0 meters from the front boundary.
- F) At least 30% of the front easement must be designated as green area with at least one tree for every 15 square meters. No domestic gas installations or electrical substations may be placed in this area.
- G) Flat roofs should always be clean and free of visually contaminating objects such as clotheslines, cages, etc.
- H) LP gas tanks must be installed in ventilated areas; in no case should they be within sight of neighbors.
- I) In case of having tanks or air conditioning installations, these must be completely hidden.
- J) Noise-producing installations and mechanical equipment should be located indoors to prevent noise propagation and sound-insulating materials shall be used.
- K) The perimeter fence shall not exceed 1.60 meters in height measured from the average height of the land; in the case of flat or terraced land, depending on the slope of the land, and cyclone mesh, barbed wire or any other improvised material unsuitable for residential use or which height exceeds the permitted

height and causes the view of the neighbors to be blocked shall not be used.

ARTICLE 50. Each owner may carry out all kinds of works and repairs inside his private unit, but may not make innovations or modifications of any kind to the structure, the façade, or those that modify the density of construction of the housing complex, its safety, health or comfort, without the authorization of the Technical Construction Committee.

ARTICLE 51. All owners who intend to carry out construction of any nature, whether new or remodeling on private units, must submit to the TCC, in writing, an architectural project including the following data:

- a) Name, address and telephone number of the owner.
- b) Description of the work to be carried out.
- c) Attach descriptive drawings of the work, architectural plan, cuts and elevations, and perspectives containing images of the façade, as well as the corresponding measurements and elevations. Five copies of these plans must be submitted, signed by the construction expert.
- d) Indicate the term within which the work will be carried out.
- e) Name, address and telephone number of the engineer or architect who will be responsible for the work, who will be jointly and severally liable for any violations of these Regulations.
- f) Certification by said professional that the work to be performed does not affect the structure or adjoining buildings or common property services and installations.
- g) Contract with the CFE for the private unit to be built.
- h) Be up to date on payment of the maintenance fee corresponding to the private unit.
- i) The owner must make a guarantee deposit in favor of the Association in accordance with the construction surface, as per the following table, to guarantee compliance with construction regulations, as well as for the repair of possible damages.

Less than 100 mt ² of construction	\$30,000 pesos
From 100 to 150 mt ² of construction	\$40,000 pesos
From 150 to 300 mt ² of construction	\$50,000 pesos
More than 300 mt ² of construction	\$80,000 pesos
- j) In addition to the deposit referred to in previous paragraph i), the owner shall be responsible for any damage caused to the subdivision streets by the traffic of trucks and heavy machinery, and shall be obligated to repair, within a maximum period of

one week, any damage to the cobblestone of the roads that give access to his lot. This is in order to avoid subsequent damages caused by rainwater drainage or backwashing of pools when the cobblestone surface has been altered.

k) Also, at the time the project is approved a one-time charge of \$6000.00 pesos for emergency deposit and \$2000.00 pesos plan approval fee.

ARTICLE 52. If there is no damage to the subdivision caused by construction works, and a guarantee deposit was made to the Association, 70% of said deposit or (if applicable) the remainder if there was a need to deduct the repair of damages caused, will be returned to the owner once the construction is completed and after delivery of the certificate of occupancy issued by the Municipality of Chapala. Said refund will be made no later than 30 calendar days after the construction is completely finished and approved as indicated herein.

ARTICLE 53. Construction or remodeling shall invariably be carried out in accordance with the plans authorized by the TCC. In cases in which the owner modifies the approved project without authorization during the construction process, the TCC shall request the municipal authority to suspend the work until this authority takes control of said procedure. The unit owner as well as the construction expert will be subject to the sanctions considered for each case by the Board of Directors and the TCC.

ARTICLE 54. Once the architectural project has been approved, the Board of Directors through the TCC, will issue a letter addressed to the Municipality of Chapala, Jalisco, informing of the approval of the architectural project, as well as of the no debt of fees certification by the Administration, and will deliver a set of plans with the seal of approval by the TCC, so that the owner may proceed to initiate the procedures before the Municipal authority. It is important to point out that the construction expert is responsible for installing a provisional sign at the construction site, with his personal information and registration number issued by the involved agencies.

ARTICLE 55. In order to begin a construction or remodeling, the owner shall go to the Municipal Authority to obtain the pertaining construction license, of which he shall deliver a copy with the sealed plans to the Technical Construction Committee.

Once the project has been authorized by said Committee and the construction license has been obtained, as well as the guarantee deposit, the owner may begin construction and for such purpose must provide a list with a copy of the identification of all workers who will enter to work on the construction site. Likewise, the owner and the builder must sign this regulation (chapter five - construction) and deliver a signed copy to the subdivision Administration.

ARTICLE 56. During the construction process, the following rules shall be followed:

a. When carrying out the layout of the house, the existing trees in the unit must be

respected; no tree or trees that are naturally planted within the unit must be transplanted or felled, and the owner is expressly obligated, when due to the nature of the construction project there is an imminent need to transplant or fell any species, to request the express approval of the TCC.

b. Construction must invariably be carried out in accordance with the plans authorized by the Technical Construction Committee; any modification to the original project must be authorized in writing, both by the aforementioned Committee and by the Municipal Authority. If this provision is contravened, the deposit indicated in these Regulations shall be automatically forfeited.

c. The roads, common areas and units adjacent to a construction site must be free of construction materials at all times.

d. Materials shall not be stored on a lot until the respective building permit is obtained.

e. It shall be the obligation of the owner-builder to install a shade screen at least two meters high in front of his lot during the construction process.

f. The owner has the obligation to deliver the subdivision administration a copy of the construction permits corresponding to his property.

g. The construction period shall not exceed eighteen (18) months. If, due to the characteristics of the work, construction time is longer, an extension for said term must be requested from the association's administration at the appropriate time.

ARTICLE 57. It is not permitted to unload materials and/or debris, or to make temporary constructions on other people's land, except with the owner's written authorization, a copy of which must remain at the site for any clarification. In these cases, at the end of the work, it shall be mandatory to vacate and clean it, so that it is left in its original condition. No lot shall be used as a deposit for garbage, waste or contaminating materials.

In the event that a construction in progress does not have a space or lot attached where to store materials, it will be allowed to place them, with prior authorization of the Administrator, exclusively on the front edge of his lot, at a maximum distance of one (1.0) meter, with a maximum height of one meter eighty centimeters (1.80) and for a maximum period of fifteen (15) days, after which the sidewalk and street must be left clean and free of material, debris and dirt.

ARTICLE 58. It is mandatory that all construction work be kept free of debris and garbage during its process, for which reason it will be necessary for the owner to commit to the removal of these materials at least once a week, thus avoiding such materials to be in plain view during this process.

ARTICLE 59. The owners of construction sites shall be responsible for repairing any

damage caused by their suppliers, contractors and construction workers to the roads, curbs, pavement, green areas and, in general, to the subdivision facilities or property of other residents.

Construction personnel entering the subdivision must be informed by the foreman about the subdivision regulations, and it is the owner's responsibility to ensure that such personnel comply with them. For this purpose, a list of construction workers and other staff must be delivered to the entrance booth, where the security guards will issue them a provisional entrance card to the subdivision, and the owner and foreman will be responsible for updating said list in case there are any changes.

Due precautions must be taken so that rainwater does not wash soil and/or construction materials into the roads, storm drains, streams and/or common areas.

For security reasons for the residents of the development, NO watchmen will be allowed at the construction site. The subdivision is not responsible for materials and objects that are taken from the construction sites.

All construction sites must have a hidden sink and toilet for the use of construction workers: this provision is mandatory. Said toilet and sink must be located within the property, beyond the 2.00-meter easement mentioned in the previous paragraph, preferably at the back of the lot.

It is strictly forbidden to place or attach wires (commonly known as *diablitos*) in or to the CFE electrical lines. To get electricity, a definitive contract must be entered into with said agency. It is strictly forbidden to lift the CFE manhole covers and other installations to make provisional connections; the owner and construction expert are also jointly responsible for ensuring that their workers and/or contractors do not misuse said infrastructure installations.

Materials resulting from clearing or excess land cuts must be removed immediately from the lot and from the subdivision and, in case that part of them can be used in the same construction, they must be placed outside the front easement. In case of filling in another lot, the written consent of the owner will be required, as well as the agreement that the material will be properly placed.

ARTICLE 60. The work schedule to which the construction personnel must adhere is Monday through Friday from 8:00 to 18:00 hours and Saturday from 8:00 to 13:00 hours; construction workers are not allowed to enter the subdivision on Sundays and holidays established by the Federal Labor Law. The Board of Directors is empowered to impose a fine on the owner when his workers work outside the permitted hours.

ARTICLE 61. The Association assumes no responsibility for the connection of telephone, electric power, potable water, sewage, etc., so it is the responsibility of the owner of the unit to make the necessary arrangements with the corresponding authorities, such as Teléfonos de México (Telmex) fiber optic installation has a one-time only, \$7000.00 pesos connection charge paid to CVN, Instituto Mexicano del

Seguro Social (IMSS), construction union, etc.

The Technical Construction Committee of the Association shall have the power to inspect the work at any time during the construction process. The person in charge of the work shall allow access and all kinds of easiness for the fulfillment of this task. The construction warehouses must be installed within the property, leaving free at least 2.0 meters of front easement from the curb. In case of using any land not owned by the owner for storage of materials, it is necessary to submit to the Administration the authorization of the owner of the intended land, specifying the terms and period for such use, understanding that this will be temporary and for no reason will exceed a period of more than 30 thirty days after completion of the work. In case of not having said authorization, the owner may not invade any lot that is not its own.

ARTICLE 62. Workers shall change clothes in enclosed spaces. At the beginning of the construction, when there are no walls, they shall use their portable restroom or materials storage room to change.

The owner and the person in charge of the construction are jointly and severally responsible for the behavior of all workers and must take care of their behavior, the volume of their radios and speed of their vehicles, which must not exceed 30 km/hr. They will demand from workers respectful attitudes and strictly prohibit the ingestion of intoxicating beverages or consumption of drugs or narcotics within the subdivision. The entrance to such worker will be restricted or prohibited and the person in charge of the construction and/or the owner will be notified.

Service yards and related facilities, such as clotheslines, laundry rooms, etc., shall not be visible from the outside. This rule must be followed for the purposes of the construction work itself.

ARTICLE 63. The owner and/or builder must deliver to the Administration the list of authorized workers (bricklayers, laborers, suppliers, contractors, engineers and/or architects) and their schedules, which must be updated at the Administration with each registration and discharge of individuals, or whenever the Administration so requires. All workers on the site must be registered and must carry a badge that accredits them as workers with access to the subdivision, which will be processed by the Administration. All workers must register when entering and leaving the subdivision and are required to leave their badges at the guardhouse, indicating the address of the private unit in which they work. All site workers as well as suppliers and contractors, must enter and exit the subdivision through the main entrance. It is prohibited for masons and construction workers to cross or walk between vacant lots or between internal parts of residences; they must always drive through the subdivision roads.

ARTICLE 64. It is the owner obligation to have his workers clean the sidewalks, curbs and streets on a daily basis, and it is prohibited to store any type of material in these areas.

All debris, rubble, garbage, construction waste or materials that will no longer be used in the construction must be removed periodically and/or when requested by the Administration; the subdivision must be kept clean.

All materials, tools and other items necessary to carry out any activity that remain in the lot of the owner or in the lot of a third party, are the sole responsibility of their respective owners and/or possessors; therefore, in the event of theft or loss, the Administration is released from any responsibility, and the owners themselves must initiate the pertaining legal actions.

ARTICLE 65. The water intake corresponding to each unit shall have a water meter to determine its consumption. The Board of Directors shall notify the owner in regards to said use when it is notoriously considered beyond the normal parameters that should govern according to the size of the unit and the built area, in order to protect the sources of supply and avoid waste, all of this for the benefit of the residents.

Absorption wells are mandatory, with the exception of those places where the Technical Construction Committee does not consider them necessary; their construction will be at the unit owner's expense. All electrical, hydraulic, sanitary, gas, telephone, television, and other installations must be concealed so that they are not visible to the naked eye.

All storage tanks for water, gas, etc., and in general any service element must be housed in specially designed areas and in no case will they be visible from anywhere. Their location must be indicated in the approved architectural plans.

ARTICLE 66. Each house must have at least one water storage facility of its own and a maximum of two. Cisterns must be sealed below ground level. Water tanks must always be closed and hidden inside the structure of the house.

ARTICLE 67. All construction in the subdivision must have a maximum height of six (6.0) meters from the curb level or from level of the street that provides access to the lot, with the exception that, if with prior authorization of the TCC, there may be up to twenty-five centimeters more height in constructions that require the use of said height, understanding that they must not obstruct the neighbor's view of Lake Chapala and that written authorization must be obtained from all affected neighbors.

The maximum six-meter height applies to all construction elements, including water tanks, solar heaters, antennas, verandas, canopies, awnings, etc. Any elements external to the structure that are not part of the façade must be hidden, such as mechanical equipment, solar panels, water tanks, downspouts and/or antennas.

ARTICLE 68. All houses must have exterior lighting, especially toward the main access street, thus complementing the public lighting as a matter of common interest.

ARTICLE 69. All constructions must consider a space for a minimum of two

automobiles, which may be covered with a "pergola" or foliage. No garage may be used as a dwelling or as a workshop for major repairs, especially those that are polluting in terms of noise or odors.

ARTICLE 70. In building the private units, the front, rear and side easements as well as the established restrictions must invariably be honored, otherwise the Technical Construction Committee may not authorize any architectural project.

ARTICLE 71. Construction and installation of temporary structures or buildings, placement of field trailers as well as the installation of tents, whether temporary or permanent is prohibited.

ARTICLE 72. All construction must be completed within the term established in the construction permit. When construction is not completed within a maximum period of 2 two years counted as of the date of the construction permit, in the judgment of the Technical Construction Committee and the Board of Directors. Fines and sanctions will be applied in accordance with provisions of these regulations.

No construction project may be left incomplete nor any excavations be left uncovered. When a construction project is suspended for more than three months without justification given to the Board of Directors, the latter will determine the pertinent sanctions including forfeiture of the guarantee deposit.

ARTICLE 73. With respect to the occupancy of dwellings, they may not be occupied until the habitability permit has been obtained from the Municipal Urban Development Department. In such case, the application for the habitability permit must first be submitted to the Technical Construction Committee at least 21 days prior to the date scheduled for occupancy of the dwelling, for which the following requirements must be met:

(a) The construction must be completely finished in terms of: landscaping (grass), roofs, exterior floors, facades, painting and coatings.

b) The house must have its official number in a visible and permanent place.

ARTICLE 74. Owners must periodically maintain their properties to keep them in good condition and aesthetic appearance, as well as green areas, parking lots, fences and open spaces to preserve the good image of the subdivision.

ARTICLE 75. The decisions made by the TCC shall be final and shall not admit any reconsideration whatsoever except through the corrections and compliance with other observations indicated therein. The municipal authority shall recognize that in order to grant construction licenses within the limits of the subdivision, it shall be essential to previously have the corresponding TCC authorizations.

ARTICLE 76. The Technical Construction Committee shall resolve any conflict that may arise between owners within the subdivision, acting impartially and in strict

adherence to provisions contained in these Regulations, as well as to the applicable Urban Development Laws and common sense criteria, appealing to the flexibility and good will of the neighbors to reach agreements that allow for a healthy coexistence.

In case an agreement is not reached to resolve the conflict, it will be an obligation and requirement that the parties first exhaust the conciliatory procedure before the IJA (*Instituto de Justicia Alternativa*), prior to filing any lawsuit or exercising any action before the competent courts. The TCC may issue its recommendations or opinions in writing in regards to the conflict that may arise if so, requested by any of the parties involved.

ARTICLE 77. The Technical Construction Committee may do inspections during the cleaning, marking and construction works within the subdivision. Subsequently, when construction is finished and functional, the Board or its representatives may verify the application and compliance with provisions of these regulations.

Once the construction is completed and there is no pending damage or cleaning, the Administration will return 70% of the deposit minus any fine or damage caused.

ARTICLE 78. The Board of Directors may request the appropriate authorities to suspend any construction in progress that does not comply with these regulations or with the applicable laws in force, or if it is considered that the method of construction represents a danger to its occupants or users of the subdivision. In this same case, the Board shall always have the right to impose a fine.

ARTICLE 79. If for any reason these Regulations do not foresee some case in the matter of constructions and projects, provisions of the corresponding Urban Development Laws shall be applied in a supplementary manner.

CHAPTER SIX DUES, COMMON EXPENSES AND BUDGET EXERCISE

ARTICLE 80. It is the obligation of all owners to contribute with their fees to the maintenance of the subdivision; said fees shall be determined by the Board of Directors.

ARTICLE 81. The General Assembly shall annually approve an income and expense budget, which will be covered under the terms and conditions resolved by the General Meeting.

ARTICLE 82. In a declaratory but not limiting manner, the expenses of the association are:

a) The expenses of preservation and repair of any nature required by the various common areas, easements and roads of the subdivision.

b) Salaries, wages, benefits, fees and gratuities of all personnel serving the common

interests of the subdivision, as well as the Administrator and external advisors' fees, as determined by the Board of Directors.

c) General expenses of water, discharges and common areas lighting.

d) Expenses for items necessary for the conservation, cleaning and service of the common areas.

e) Taxes and fees caused by the goods, services and common elements.

f) In general, all those determined by the Jalisco Civil Code, these Regulations and those agreed upon by the owners' General Meeting.

ARTICLE 83. Individuals or legal entities that, as purchasers, enter into purchase and sale agreements with respect to any private unit shall be obligated to pay the regular fees, fines and special assessments, as well as the reserve fund as of the date on which they execute them. Payment of fees is effective as of the first day of construction.

ARTICLE 84. The Board of Directors shall determine the annual fees based on the expense budget and according to the surface area of each lot. Fees must be paid quarterly within the first 15 days of each quarter in January, April, June and October. The Board of Directors may determine a discount for owners who pay their annual fees in a single payment before January 31 of the corresponding year.

ARTICLE 85. Fees may be regular and extraordinary when so determined by the General Meeting and must be paid in Mexican currency, within the first ten calendar days of each month in the case of regular fees, and in the period agreed upon by the Meeting in the case of special assessments.

All dues shall be paid by deposit or transfer to the bank account notified for such purpose by the administration.

ARTICLE 86. The annual maintenance fee for empty lots shall be \$400 pesos per linear meter of street frontage, up to a maximum of \$15,000 per year. And maintenance fee for properties shall be \$7.32 pesos per the total meters of property and a flat fee established by board, amounts subject to change with a maximum of \$40,000.00 pesos.

ARTICLE 87. In case of default in payment of fees referred to in Article 86, the owners shall pay interest at the higher of the TIIE or CETES rate, both at 28 days, or the rates that replace them, multiplied by three (3). When default exceeds ninety (90) days after the due date, collection may be made through judicial channels, pursuant to the terms of Article 1029 of the Civil Code of Jalisco, which will also cause the defaulting party to pay the consequent expenses, legal costs and other fees.

ARTICLE 88. Payments made by each owner toward the balance owed in his

account shall be applied to cover debt in the following order:

Noncompliance Fines

1.- First offense will be a warning

2.- Second offense will be a fine of \$2,500.00 pesos

3.- Third and subsequent offenses will be a fine \$5,000.00 pesos per occurrence

Payments of all fines, fees, etc. described in this document will be applied in this order:

- a) Fines
- b) Outstanding fees
- c) Default interest
- d) Current fees

The subdivision administration is prohibited from applying the payments in a manner different than herein stipulated, except by means of a resolution with a majority vote of the Board of Directors in a regular or special meeting, and the minutes so determining must be attached to the payment receipt issued and for the Administration records.

ARTICLE 89. The fees established by the Board of Directors must be sufficient to cover all expenses approved in the expenditure budget, including water, road and common areas maintenance, security, cleaning, garbage collection and in general any other item necessary to maintain the subdivision in optimum conditions.

ARTICLE 90. The owners must establish a reserve fund equivalent to one month of expenses, which must be adjusted year by year and replenished if it has been used. It is intended to be used for any emergency or unforeseen expenses that are justified and which will allow the Administrator to comply with the subdivision services and maintenance.

ARTICLE 91. Any bank account opened for managing the Association resources must have the joint signatures of two members of the Board of Directors.

It shall be ensured that all funds to be managed are kept permanently in investment accounts that produce the highest yield in the market, in the judgment of the Board.

CHAPTER SEVEN RATIONAL USE OF WATER

ARTICLE 92. All subdivision residents must use water rationally, avoiding any waste. The Board of Directors shall recommend the measures it deems necessary to avoid

waste.

ARTICLE 93. Regarding the filling of outdoor pools and/or hot tubs during and/or after construction:

a) The contractor, owner or tenant shall fill his outdoor pools and/or hot tubs always with purchased water (water truck or *pipa*), to avoid loss of water.

b) For ecological reasons, backwashing of pools, hot tubs and cisterns shall be done outdoors and towards the street in a suitable pipe that descends to street level (not in a cascade) in accordance with the State of Jalisco and the Chapala Municipality regulations.

ARTICLE 94. Jointly with SIMAPA, the Association will coordinate the necessary works to guarantee the quality of both the water and the supply system to the owners. This includes maintenance of the hydraulic network, connection to houses, pumps and pressure regulators.

ARTICLE 95. RAINWATER DRAINAGE. The slant of roofs and paved open areas must allow the circulation of rainwater, which must be directed by means of ramps, downspouts and drains to the street of access to the house, except in the case of closed streets, sloping to where the street is closed.

ARTICLE 96. SEPARATION OF WATER DISCHARGES. It is strictly forbidden for storm water drainage to be directed toward sanitary sewers. It is likewise prohibited to direct sanitary drainage towards the water wells of any house.

CHAPTER EIGHT PENALTIES AND DISPUTES

ARTICLE 97. Any owner who fails to comply with the obligations set forth in these Regulations shall be subject to the penalties contained in this chapter.

ARTICLE 98. When disputes arise between owners or users regarding the rights pertaining to the use of their private units, they shall be resolved in accordance with the following rules:

Disputes among owners shall necessarily be subject to provisions of these Regulations, except for matters related to buildings and projects, which shall be resolved by the Technical Construction Committee.

When controversies cannot be resolved with the application of these Regulations, or if the TCC cannot settle or resolve said controversies, they shall then be ventilated before the competent First Instance Judge, having previously exhausted the Conciliatory Procedure or Alternative Means of Conflict Resolution, before the Institute of Alternative Justice (IJA) or any other center authorized to provide this

service; the pertaining minutes must be attached to the legal action that in due course is filed, as a requirement for it to be admitted. The application of these Regulations and the Code of Civil Procedures of the State of Jalisco will be supplementary.

ARTICLE 99. Any owner may file complaints or report violations to the Rules and Regulations by means of a telephone call or in writing addressed to the Association's Administration with a copy to the Board of Directors, containing the following information:

- a) Name of the complainant.
- b) Number of his/her private unit.
- c) Place and time of the infraction.
- d) Description of the facts.

The security guards at the gatehouse have the obligation to report to the Administrator any violation of these Rules and Regulations by the owners or users.

The Administrator shall issue a written warning to the owner or user who commits a violation of these Regulations, granting the right of reply. The seriousness of the fault, malice or historical behavior of the owner, at the discretion of the Administration, may result in fines and sanctions without the need for prior warnings. Notice of any warning or fine shall be in writing, and in case the offender refuses to receive it, the document shall be left in the private unit and the reason for the lack of personal receipt by the offending owner shall be stated. In no case shall the sanction be null and void for lack of signature of receipt.

In case the owner does not use his right to reply within the established term, it will be considered that he accepts the sanction or sanctions imposed.

ARTICLE 100. The penalties to which owners shall be liable for violating provisions of these Regulations shall be as follows:

I. When violations of these Regulations result in nuisance or disturb the tranquility of the subdivision, the infraction is considered to be minor, and therefore the penalty to be paid shall be equivalent to one monthly fee in force at the time the infraction was committed, without prejudice to repairing the damage and regularization of the situation, as applicable.

II. When violations of these Regulations are incurred which compromise the safety and integrity of the residents, their property or common assets, and also threaten the added value of the subdivision, the infraction is considered serious, for which reason the sanction to be paid will be equivalent to 3 times the amount of a monthly fee of \$1000.00 pesos in force at the time the infraction was committed, without detriment to the repair of damage and regularization of the situation, as applicable.

III. Likewise, the relapse of a minor infraction or refusal to pay minor infractions that have been decreed by the Board of Directors shall be considered a serious infraction.

IV. In case of major offenses that the Board of Directors deems appropriate to refer to the competent authorities, the Board of Directors shall file the corresponding report with the Chapala City Hall.

V. In case of offenses committed by workers or residents' employees, the Administrator, authorized by the Board of Directors, shall have the power to restrict their access and, depending on the seriousness of the sanction, to prohibit their entry.

The Association, through the Administrator, may first apply and cover the debts pertaining to expenses, fines and penalties incurred by an owner.

The owner or user who commits faults, does not comply with his obligations or violates these Regulations in any way, in addition to complying with the penalties herein, shall be liable for paying for damages caused to other owners, to the subdivision or to third parties, without prejudice to the civil or criminal action originated by the act or omission.

Any situation not provided for in these Regulations shall be evaluated and resolved in first instance by the Board of Directors; but when there is confusion, discrepancy or repercussions of general relevance, it must be submitted to the consideration of the General Meeting.

ARTICLE 101. Whoever violates any provisions of the construction rules, in addition to a fine equivalent to one or more monthly fees, shall be liable for damages caused to the subdivision, as well as for correcting such non-compliance.

ARTICLE 102. The conduct of any guest is the responsibility of the owner or resident being visited, and therefore any violation of the Regulations by such guest shall be assumed as the responsibility of the owner.

ARTICLE 103. If there are debts of any kind, the Administration, with the approval of the Board of Directors, may prohibit the exit or entry of movers not authorized by the Administration, and in case of aggressiveness or rebelliousness toward the Administrative or entrance booth staff, the sanction will be twelve monthly fees plus payment of the damages caused; public security may be called to assist the private security provided by the Association. In the event that a tenant attempts to enter or leave without paying his debts, the owner of the private unit will be notified, since the latter will be obligated to pay all of the tenant's debts, fines and damages caused by the tenant.

ARTICLE 104. In case that workers hired by owners incur in violations of these Regulations. When the violation implies damages to the subdivision assets, the Administrator shall require the owner who hired and endorsed the worker to immediately repair such damages.

ARTICLE 105. In the resolution of possible disputes, before proceeding through the

courts for solving conflicts that may arise between the associates and the association regarding the interpretation and compliance hereof, the subscribers hereof and those who request their admission as associates subsequently, shall first submit to and exhaust the alternative means of conflict resolution as established in the Alternative Justice Law of the State of Jalisco, either directly before the Institute of Alternative Justice or in a private center certified by said institution before going to court. In order to proceed judicially, it will be a requirement to accompany the initial claim with the evidence that proves having attended and exhausted the Alternative Justice procedure before the Institute of Alternative Justice or any duly accredited private center.

CHAPTER NINE THE ASSOCIATION AND RESPONSIBILITIES OF ITS MEMBERS

ARTICLE 106. In order to achieve an efficient administration of the various services provided by the subdivision, the Civil [non-profit] Association called ASOCIACIÓN DE VECINOS DEL FRACCIONAMIENTO CHULA VISTA NORTE, A.C. is hereby established. The Association activities are directed by the Board of Directors, headed by a President, under the terms established in its own bylaws.

ARTICLE 107. Every person who legally owns a lot in the subdivision shall be a member of the Association and as such, shall have all the rights and obligations established in this document; compliance with the regulations shall be mandatory for all owners and users of the subdivision.

ARTICLE 108. All Association members have the right to vote in the General Meetings, as long as they are up to date with their fees.

ARTICLE 109. Regardless of the powers of the Board of Directors of the ASOCIACIÓN DE VECINOS DEL FRACCIONAMIENTO CHULA VISTA NORTE, A.C. established in its bylaws, the Board of Directors also has the following special powers:

- I. Establish the fees to be paid by all members.
- II. By appropriate means, to collect the fees mentioned in the previous paragraph to guarantee the availability of services offered by the Association.
- III. Submit to the General Assembly, for its approval, any amendments or Additions to these regulations that may be required.
- IV. Coordinate with the municipal authorities to establish and apply (as the case may be) such sanctions as may be appropriate against any member who violates any of the provisions herein contained.
- V. To defend the Association against any urban or construction work that is not

compatible with the aesthetics or operation of the subdivision, when such attempt creates the least insecurity or when it does not comply with the requirements established in these regulations.

VI. Authorize exemptions for the application of these regulations in those cases in which such exemption is for good cause.

VII. Authorize hook-up of potable water and sewage services to the subdivision's own network, always complying with municipal and jurisdictional regulations.

VIII. Execute contracts with third parties as necessary to guarantee the provision of services required by the subdivision and its inhabitants.

IX. Use of emergency funds. The Board of Directors may authorize the use of the emergency fund in case of an urgent situation affecting the safety of the residents, or to continue the provision of essential services in the community, for example: repairing a break in the main pipelines, handling the consequences of a natural disaster or some event that could cause a greater expense in the future.

X. All others expressly set forth in these Regulations and the Association bylaws.

ARTICLE 110. Any person or company operating within the subdivision, whose facilities or activities cause damage or harm to other persons, real estate, public streets, common goods and services, must repair such damage and harm to the subdivision, person or real property, at its own expense, within a period of no more than fifteen 15 days from the time damage was caused. In case such person or entity does not comply within the specified time, the Board of Directors may order the respective repairs using Association funds and shall have the right to sue the responsible party or parties for the total payment of the expenses incurred plus 25% of said expenses.

CHAPTER TEN FORCE OF THESE REGULATIONS

ARTICLE 111. These Regulations shall become valid as of the time they are accepted by a majority vote at a General Meeting called to ratify the By-laws and/or Regulations.

These Regulations shall remain in effect indefinitely, until the Board of Directors replaces them with new ones or amends these ones, as it deemed appropriate.