

## **RULES AND REGULATIONS CONDOMINIUM PORTO FINO PUERTO VALLARTA**

### **GENERAL FORESIGHTS**

**FIRST ARTICLE.-** For the effects of these rules and regulations, the meaning of the following terms is indicated below:

**a).- LAW.-** The Current Civil Code for the State of Jalisco in effect since March of 1995, pertaining to condominiums, as well as the future modifications. Only in those cases where the law makes omission in regards to a certain topic, the content of the CONSTITUTIVE DEED and/or THE INTERNAL RULES AND REGULATIONS will be applied.

**b).- CONSTITUTIVE DEED.-** Public Deed recording that the property denominated as condominio PORTO FINO PUERTO VALLARTA was affected by its developer to a Condominium regime, specifying the terms and conditions in which the condominium is constituted. Its dispositions regarding the use and benefit of the goods and services that constitute the condominium will apply to the owners, users, employees, visitors, and any other person related in any manner to the CONDOMINIUM, as long as there is no other disposition in the LAW expressly applicable to a particular case and that does not contravene any other law. It will be understood that any modification, addendum, or correction legally made, and recorded in a public deed will become part of the Constitutive Deed.

PORTO FINO PUERTO VALLARTA is a Full Time Residential Condominium development with deluxe quality and services. The development is comprised of two interconnected vertical towers with 15 levels, 241 two hundred forty one apartments, as well as 9 villas or houses, and covered parking boxes with storage rooms, each one of them constituting the condominium private area, and it's respective common areas, which are in accordance to the Civil Code of the State of Jalisco in regards to the working conditions and benefit of the common elements, by the total conclusion of the development.

**c).- INTERNAL RULES AND REGULATIONS.-** The group of norms and dispositions that are applied in a general and mandatory manner to owners, users, employees, visitors, and any other person that is related in any manner to the CONDOMINIUM, as long as there is not a disposition in the LAW and/or in the CONSTITUTIVE DEED that expressly applies to a case in particular.

**d).- INTERNAL POLICIES.-** The group of regulations and/or dispositions issued by the CONDOMINIUM ADMINISTRATOR, always within the faculties granted to him by the LAW, THE CONSTITUTIVE DEED, AND THE INTERNAL RULES AND REGULATIONS, and that, having been duly approved by the ADMINISTRATIVE BOARD, will be used to regulate the use and benefit of certain goods and services of general use. They are of general and mandatory application to owners, users, employees, visitors, and any other person in any way related to the CONDOMINIUM, as long as there is no other disposition in the LAW and/or the CONSTITUTIVE DEED and/or the INTERNAL RULES AND REGULATIONS, that applies expressly to a given case, or contravenes any of the aforementioned normative entities.

**e).- UNITS.-** Consists of each one of the apartments, villas or covered parking boxes, limited by the master or foundation walls and the spaces between floors that make up the floors, ceilings and walls of each autonomous unit, in accordance to the portion that is detailed in the Property Regime of the PORTO FINO PUERTO VALLARTA Condominium, including all its accessories

which are not of common use or indispensable to maintain the security of the building and the working order of general services.

**f).- CONDOMINIUM OWNER.-** The physical or moral person (judicial entity) who holds title to the property of one or several units. In addition, the following persons are also considered as owners:

**g).-** The person that has celebrated a contract of any kind with CORPORACION BAY VIEW GRAND, S.A. DE C.V., through which the ownership of any unit will be transferred in case the contract terms are fulfilled.

**h).-** The beneficiary of a trust transferring property that affects any of the units.

**i).- USER.-** A person other than the owner, individually or collectively as the case may be, tenants, guests, dependents, employees, service personnel, family members and in general any person with any title or designation, who inhabits or visits the buildings with the express authorization of a condominium owner, permanently or temporarily. Condominium owners and their users accept and are obligated to adhere to the limitations derived of the present regulations and resolutions as well as to the relating applicable laws.

**j).- ADMINISTRATOR OR ADMINISTRATION.-** Physical or moral person who, according to the law, is in charge of the administration of the goods and services pertaining to the condominium's common property, and who holds the legal representation of said condominium.

**k).- COUNCIL.-** The Administrative Council referred to in article 1017 of the Law.

**l).- GOODS OF COMMON PROPERTY.-** Any part of the building or complex that is affected by a common destination, or its use or enjoyment is susceptible of being hold by any owner or user, or that it may serve a purpose that benefits indistinctly any dependence of the complex and its buildings.

**n).- GOODS OF JOINT PROPERTY.-** Are the lot and other items of common use in the building or complex, or those indispensable to maintain the existence, security, stability, hygiene, easy of access, recreation ornament, or any other similar purpose, which are necessarily indivisible and whose ownership corresponds to more than one owner.

**m).- PERCENTAGE OF INDIVISIBLE PROPERTY.-** Proportion of the rights that each owner has over the goods of joint property and/or those of common property, which is the result of the proportional value of his/here share of his/her exclusive and private unit as it is established in the Constitutive Deed. This factor determines the proportion of which each owner will have to contribute to the common expenses and the proportion or number of votes that correspond in the assemblies to each owner.

**n).- BUDGET.-** The projected income and expenses that the Administrator and the Board of Directors should present annually for discussion and resolution during the following fiscal year and that includes and estimation of the maintenance fees and reserve fund.

**o).- ORDINARY FEES.-** Amount that the owners should pay in cash, as established by the owner's general assembly, to be paid in advance every three months in the terms marked by the law and or the assembly itself, and which will be destined to cover the condominium's general maintenance and administrative expenses.

**p).- EXTRAORDINARY FEES.-** Amount of cash which each owner is obligated to pay as established by an owner's assembly, and which is destined to cover expenses that were not considered in the budget and/or urgent and/or indispensable to maintain the goods and services of the common property in normal operating conditions and which due to the amount they represent, cannot be covered with the ordinary budget.

**q).- RESERVE FUND.-** It is the economic contribution which each owners is responsible for, destined to the creation of a common fund, which will be used to cover unforeseen expenses that are either very important or very urgent, such as the execution of major repairs that were not contemplated and/or to replacement and/or the acquisition of implements and/or equipment in general that are necessary for the condominium (2 months of maintenance fees).

**r).- MAKING BALANCES CURRENT.-** Charge that the condominium owners have to pay for debit balances not paid on time, whose amount should be equivalent to the average of the two largest national credit institutions, pro-rated for a 30 day month as specified in the regulations.

**s).-MAINTENANCE EXPENSES.-** The costs and expenses which result from the Administrative operation, repairs, conservation and maintenance of all the condominium's common areas, including, but not limited to the tax payments for the common area, personnel salaries, administration fees, the maintenance, repair and replacement of equipment, the electricity and water invoices, etc.

**t).- NECESSARY WORKS.-** Are those, which are conducted to maintain the condominium within the normal conditions of security, stability, and hygiene, and to keep it with all its services working properly and efficiently. The realization requires the corresponding municipal permits and the consent of the Board of Directors.

**u).- VOLUNTARY WORKS.-** Are those that do not necessarily increase the value of the condominium, but improve its appearance and comfort, or, that even though they are not necessary they do increase the value of the condominium. In both cases, for the execution requires the approval of at least 75% of the total owner's votes.

**FIRST ARTICLE BIS.-** The controversies that may arise among owners in regard to their conduct in the buildings, or in regards to their respective portions/units, apartments or commercial premises, will be presented to the administrator, whose resolution, based on this document's rules and regulations and supported by the opinion of the BOARD OF DIRECTORS, shall be observed unless the controversy is of such nature that it requires to be turned over to the General Owner's assembly. As a last instance the controversy shall be presented to the decision of the competent Puerto Vallarta, Jalisco Courts or the corresponding competent authorities.

## **OF THE COMMON AND PRIVATE PROPERTY**

**SECOND ARTICLE.-** Each owner shall be the exclusive owner of hi/her unit, which he/she will be able to sell, lease mortgage, or assess in any manner within the limitations established by the law, these rules and regulations or public deed where the act is recorded, underlining the impossibility to partially sell or rent any condominium unit.

**THIRD ARTICLE.-** The rights and obligations that each owner has regarding the common property will be based on the portion or percentage of common areas of his/her unit or apartment.

**FOURTH ARTICLE.-** Each owner's rights and obligations regarding the common property or common property goods are indivisible and inseparable from his/her unit, apartment or locale.

**FIFTH ARTICLE.-** The abandonment, renunciation, or transfer of any owner's rights in regard to the common property, or to any part of it, shall not relieve said owner or its users of their duties and obligations regarding to said common property as established by these rules and regulations.

**SIXTH ARTICLE.-** Each owner shall use and enjoy of the common property, and of the general services and installations of the condominium without limiting or affecting the rights of the other owners, with the exceptions inferred and established by these rules and regulations.

**SEVENTH ARTICLE.-** The common goods/properties are identified and detailed in the NINETH IX POINT, OF THE FORESIGHTS CHAPTER OF THE PORTO FINO PUERTO VALLARTA CONDOMINIUM PROPERTY REGIME, which is considered here as reproduced for all legal effects.

#### **OF THE RIGHTS AND OBLIGATIONS OF THE OWNERS**

**EIGHTH ARTICLE.-** Each owner shall use his/her unit in a pacific, orderly, reasonably quiet and respectful manner, in accordance to what is dictated by good common sense, the dispositions of the INTERNAL RULES AND REGULATIONS and the LAW.

**NINTH ARTICLE.-** No owner may use his/her unit in any manner that alters the peace and comfort of the other owners, or in a way that endangers the security, comfort, stability or hygiene of the property in general, or any other units in particular.  
Owners shall abstain from actions or omissions , which may put the property in danger of fire, robbery, collapse or any other damage of any type, or to create situations that may produce similar results.

**TENTH ARTICLE.-** Each owner may conduct repairs, alterations, and constructions in accordance to what is allowed in this respect by the laws in the interior of his/her apartment or locale, with the condition that they do not endanger or imply innovation or modification that affects the foundations, structures, master walls, facades, columns, beams and common property, or that affect in any way the appearance or decoration of the building or buildings or any other essential element of said buildings. The owner who wishes to conduct the repairs, alterations and constructions this article refers to, shall request the approval of the administrator and the Board of Directors, so that there is prior approval of the blueprints and projects before the planned works can take place, as well as to notify of the entry of the personnel to realize the works.

**ELEVENTH ARTICLE.-** No owner may paint or decorate the facade, the doors, walls or exterior portions of his/her unit except for those cases expressly allowed by these regulations and always with prior approval of the administrator and the Board of Directors in office.

**TWELFTH ARTICLE.-** Owners shall restrain themselves from undertaking any act, even from the inside of their unit or apartment that might obstruct or affect the efficient operation of the common property areas or goods. The owners or users shall allow the access of the maintenance personnel when necessary, to repair pipes, drains, installations or anything that affects the use of common areas or private properties.

**THIRTEENTH ARTICLE.-** Owners shall notify the administrator immediately of any damage incurred to the property or goods of common use they were aware of, regardless of whom the responsible party might be.

**FOURTEENTH ARTICLE.-** Owners will not be allowed to make any repairs or alterations to the common property and general installations, except for urgent repairs or replacements and when the administrator or members of the Board of Directors are not available. The repairs and/or replacements made will initially be covered by the owner. The cost will be applied to the general budget for maintenance expenses; the expense will be promptly refunded to the owner as soon as the individual responsible for the administration is available.

**FIFTEENTH ARTICLE.-** In order to sell his/her apartment or locale, every owner shall be up to date with all the obligations established by the law, these rules and regulations, and the property regime for the condominium. If this is not the case, the buyer must then assume in writing, the complete responsibility for the fulfillment of all the pending obligations that sellers did not fulfill; and will not be considered a condominium unit owner until all pending obligations are paid.

**SIXTEENTH ARTICLE.-** The common expenses shall be charged to the condominium's general budget.

**SEVENTEENTH ARTICLE.-** Every owner will be responsible for the payment of maintenance fees determined by the assembly; their own taxes, including property taxes, as well as the payment of the services individually contracted to service each unit; and will contribute proportionally to cover the cost of services such as water, gas, electricity, telephone, municipal services corresponding to the usage incurred in general or common installations or properties of the condominium and to the property insurance premium payments aimed to protect the PORTO FINO PUERTO VALLARTA CONDOMINIUM from general obligations in case of fire, earthquake, earth-tremor, and other occurrences that the Assembly feels are appropriate.

**EIGHTEENTH ARTICLE.-** It is strictly forbidden to commercialize the residential units under the systems known as "TIME SHARE" & "CONDO HOTEL". In cases of "LEASE", "CESSION", "COMMODATE" or any other similar arrangement through which the possession, use and enjoyment of any unit is transferred to a third parties with no connection to the condominium it will only be permitted for periods NO shorter than NINETY DAYS.

**NINETEENTH ARTICLE.-** Owners will have the obligation to respect and obey THE LAW, THE CONSTITUTIVE DEED, THE INTERNAL RULES AND REGULATIONS AND THE INTERNAL POLICIES. Equally, it will be their responsibility to make them know to those people issued possession of their unit, under any title or concept, and to all those who live in it, employees, visitors, suppliers, all of which are also obligated to comply with said dispositions, with joint liability and responsibility with the owner in case that said dispositions are not observed. Specially the following dispositions:

**1,-** To attend the legally called assemblies, in person or by the authorized representative. Authorization may be granted by simple power of attorney, signed in front of 2 witnesses, presented in original and in Spanish to the administration prior to the assembly. In cases where the owner of a unit is a corporation (moral entity), the representation shall be granted by notarized power of attorney. In those cases where the owner is a foreign corporation, the representation may be granted through notarized power of attorney granted in the owner's country of origin, and then properly translated into Spanish and with annotation or if it is the case , by meeting all the

requirements established in the future by the law for foreign documents presented before Mexican courts.

**2.-** To authorize the administration and/or the Board of Directors, prior proper ID, to conduct periodic inspections with the intention of verifying the compliance and observance of these regulations or the condominium Regime.

**3.-** To inform immediately and efficiently to the Administration of any material damage incurred to the common property and to inform of any anomaly that goes against or violates the rules and regulations or that may affect in the future the common goods or the general installations.

**4.-** In an emergency where one or more units are at risk due to fire generated by a short circuit, loss of power, gas leakage, etc., the Administrator may authorize personnel to enter a unit only if the condominium unit owner is not immediately available.

**5.-** It is not permitted to install any mechanism, device or dangerous or unhealthy objects that may redound in an uncomfortable situation for the condominium or any of the owners. In the same manner, no activities shall be conducted that will be ostentatious immoral or that go against good conduct, peace and general tranquility.

**6.-** To restrain from storing flammable materials, explosives, pollutants of any kind, and or those that may eventually represent danger or a threat to the security, hygiene, stability or comfort of the condominium and the residents.

**7.-** To observe proper moral and conduct, behaving with decency and respect for the rights of the other owners and occupants.

**8.-** In is the condominium owner's obligation and responsibility to immediately inform the administrator regarding any third person involved in any circumstance or event that affects or could affect the condominium.

**9.-** Owners should be reasonably careful to avoid producing perturbing or loud noise. Consequently, they should restrain from playing audio and/or video equipments at a volume higher than SIXTY DECIBELS during daytime hours. Between 10:00 o' clock at night and 8 eight o'clock in the morning the maximum volume allowed will be FORTY DECYBELS.

**10.-** It is forbidden for condominium residents to keep pets such as dogs and or cats. The only pets that may be kept are pets such as fish, birds, turtles, and other similar ones that do not represent a risk to the condominium's security or hygiene, or a disturbance to the neighbors and that due to their nature, may be kept permanently inside the private unit, without constituting a cruelty to the animal. These pets must be kept inside the private unit and may not be left in the balconies of their units. The pets must not produce any noise that can be heard outside of the unit, nor should they be allowed to walk freely in the common use areas. The violation to any of these rules will result in the immediate expulsion of the pet from the condominium.

**11.-** It is forbidden to use the services of the condominium maintenance personnel for any service different than what is his responsibility as a condominium employee. Therefore, owners shall restrain from offering gratuities to the aforementioned employees in order to receive services other than those specific to their position.

**12.-** Each owner, upon taking initial possession of his/her unit and/or receiving the corresponding property title (the trust's deed when applicable) shall inform in writing to the administration, his/her full name, address or place where the assemblies convocations or any other communications shall be delivered, if the owner will not reside permanently in the condominium. In this note, the owner may authorize the administration to send said communication via FAX, E-MAIL, and/or any other mean that the future technology may make available to people for the benefit of communications. Equally, he/she shall register said information in the book that the administration keeps for that effect. If said information changes, he/she shall promptly notify the administration of the changes, and shall register the new information. Failure to comply with this point content will be considered as the sole responsibility of the owner, and shall not be a reason to adduce non-compliance to any agreements reached by the assembly.

**13.-** To limit the number of occupants, whether they are of a permanent or temporary nature, to a maximum of 4 people in a one bedroom condominium unit, 6 people in 2 bedroom condominiums and 8 people in 3 bedroom units. For the effects of this point each minor will be considered as an occupant.

**14.-** The owners will notify the administration of any rent contracts, commodate, etc. they celebrate. They also will give a copy of the contracts to the administration for general control, regardless of the duration; the user of the unit shall accept and obey these regulations. The owner and the occupant of the private unit different from the owner who for any reason is in possession of the unit, ARE EQUALLY RESPONSIBLE for the maintenance fees payment and for any other obligation and/or responsibility that the LAW, THE CONSTITUTIVE DEED, THE INTERNAL RULES AND REGULATIONS and/or THE OWNERS ASSEMBLY establish to the owner and/or to the occupant of the unit. The administration will forbid access to the condominium if the aforementioned pre-requisite has not been fulfilled. Every user must provide their name, age, place of origin and any other information required by the administration.

**15.-** Owners and renters will be required to register the names of their personal employees, part time or full time. During their time in the condominium they will need to leave an official form of identification at the security booth which will be returned to them on their way out.

**16.-** If guests will arrive to occupy a Unit when the owners are not present, it will be necessary to notify the Administration in writing three days prior to the guest arrival of the number of members in the party, the person responsible, and the occupancy dates. This communication can be sent via e-mail or fax and should be reconfirmed to assure it has been received by the administrative office.

**17.-** Guests will not be allowed to enter or remain on the property without the express consent of the owner.

**18.-** To use the units for residential purposes

**19.-** To abstain from establishing or using any condominium unit as schools, academies, guest houses, hospitals or clinics of any nature, factories, workshop or industries.

**20.-** To abstain from using materials that damage or dirty the building or that disturb the rest of the owners.

**21.-** To take all precautions to avoid robberies in his/her private property.

**22.-** To abstain from hanging clothes, towels, shoes, or any similar objects from the rooftops, balconies, terraces, windows, railings, handrails, and/or any other place where said objects might be visible from the outside of the unit at plain sight; no large toys, bicycle, cleaning equipment, boxes or any other article which could have an unpleasant appearance will be allowed in terraces.

**23.-** It is forbidden to fix nails, poles, or hooks outside of your property; the same applies to the installation of satellite dishes and/or any other such device on the terraces or balconies of the units.

**24.-** The individual terraces are private. Crossing from one terrace or patio to other is prohibited, unless the owner or user expressly authorizes it in every instance.

**25.-** To abstain from using Venetian blinds and use exclusively curtains made of neutral colors' regular fabric (white, beige, ivory, etc.), maintaining the harmony of the external appearance of the development. All windows, sliding doors, etc. should be properly covered; the use of sheets bed spreads, boards, or any other type of objects for that purpose is prohibited.

**26.-** Regarding damages, they shall be repaired with charge to the general budget of the condominium, except when their cause is by the absolute blame or negligence of one of the owners or their users, in which case the owner will cover the incurred expenses. On this particular, when the repairs are of an urgent nature they will be paid immediately with a provisional charge to the general maintenance fund.

**27.-** It is forbidden to use tools such as nails, screws or wire to support or hang plants, alarms, plates, etc. in common areas of the buildings or in the corridors.

**28.-** All owners should rapidly repair and maintain their unit to prevent affecting others. The maintenance of all internal installations such as doors, windows, water, electricity and drainage is the responsibility of each owner. No owner has the right to modify, paint, repair, alter, or remodel any exterior part of the building where his/her unit is located.

**29.-** The administration must authorize the external paint. The exterior colors to be used should be in accordance with the façade.

**30.-** The screens for doors and windows are to be bought and installed at the expense of each owner, with prior authorization from the administration. The type of screens shall be similar to the existing ones in the complex, and should be of the appropriate quality material.

**31.-** To use corridors, walkways, stairs, elevators, rooftops, vehicular avenues, parking lots, and in general, all other goods of common use exclusively for the purpose that they have been established for or those that their own nature imposes, not allowing them to be used in any manner that is diverse or contrary to their pre-determined purpose.

**32.-** To cover all costs for damage repairs, breakage, or wear and tear caused in the areas of common property by the owners, their family, friends, users, visitors and employees. The administrator will decide within a reasonable period of time if it is required that the owner undertake the repair, or if the owner will be requested to pay for the repair at the current prices plus 50% of the total cost, in such case the cost and surcharge shall be paid as soon as the administrator requires it.



**33.-** To restrain from playing or circulating in vehicles in common areas that are not specifically designated for such purpose, and/or outside of the established hours in the INTERNAL POLICIES.

**34.-** It is not allowed to place furniture or any other type of articles in the common areas, particularly in the bottom floor. Owners do not have green areas at their disposal and it is prohibited to remove and re-locate the pool furniture to the green areas.

**35.-** The corridor and terrace areas are to be preserved and protected to maintain the complex's attractive appearance. The plants should be pruned to prevent them from growing on walls and common areas. The plants located in patios should be selected with discretion to avoid and prevent problems. The owners will be charged any damage to walls and corridors originated by branches or plant roots located in patios and terraces.

**36.-** To restrain from throwing liquids or objects of any kind outside of their private area.

**37.-** To restrain from blocking the parking lot, corridors, walkways, stairs, elevators, rooftops, and other common areas with objects or vehicles.

**38.-** To restrain from installing signs of any kind in the exterior of the units and/or in any other place where they might be visible from the outside of the unit at plain sight; also, to restrain from making electric connections to wires not belonging to their unit.

**39.-** Each condominium owner or occupant shall deposit in plastic bags the garbage that is produced or originated in their unit and then throw it out in the chute assigned for them to do so. For glass objects, there will be separate recipients available to avoid throwing them out down the chute. Under no circumstances should garbage be placed in corridors or entrances.

**40.-** The owners are invited to pick-up garbage from common areas, and to notify the Administration whenever common areas are not properly clean.

**41.-** Children younger than 8 years old should be watched by an adult while they are in common areas.

**42.-** It is prohibited to place grills in the common areas; on terraces only gas grills are allowed.

**43.-** For the private temporary use of a common area, like, Pool area, Beach, Snack Bar, etc., an agreement must be signed with the Administration placing a guarantee deposit, for the payment of cleaning, or security in case of damages; the deposit amount will be established in line with the number of persons involved and the type of event planned. The Administrator could keep part or the total deposit for the Association in the following cases: charges for cleaning exceeding the normal, damages to the facilities in common areas, failure to remove leased equipment. Before applying the deduction from the deposit, the user that signed the agreement shall be notified of the amount of the same.

**44.-** In cases when you will be away from your unit for more than five days, for your own security you will need to notify the administration in order to shut down the water and gas services preventing any potential leaks; therefore, it will also be necessary to report your return date in order to reestablish the services.

**45.-** Each owner should provide the Administration with one key to their apartment to be used in case of emergency; or notify in writing the name and telephone number of the person who can provide access to the unit.

**46.-** Baseball, football, or any other games involving a ball can only be played in the beach's public area. It is not permitted to bounce a ball against any walls. Any damage that these activities may cause will be the owners' responsibility.

**47.-** For everybody's safety, and to maintain the beach sand area clean, it is mandatory that all smokers deposit the ashes and stubs in the containers designated for that purpose located around the pool area.

**48.-** All garbage should be picked-up and deposited in the containers designated for that use.

**49.-** The use of beach chairs, coolers, balls, frisbees, will be allowed in the beach area if exercised with discretion by all users; however, the pool area furniture can not be moved down to the beach area.

**50.-** Bonfires or night beach parties are not allowed.

**51.-** Use of the pool will be subject to daylight according to the season. The pool cannot be used at night.

**52.-** It is mandatory for everybody, including children, to use swim suits in the pool area and beach.

**53.-** Children need adult supervision; this requirement shall be strictly enforced. Children should be constantly monitored when they are around in the pool.

**54.-** Persons using any type of bandage cannot use the pool.

**55.-** Any person suffering skin illness, wounds, swollen eyes, cough, cold, nasal discharges, air infections, or any other contagious illness cannot use the pool.

**56.-** Babies can not enter the pool with just a diaper, they will need to wear an additional protector over it.

**57.-** Since there is no lifeguard on duty, all persons using the pool are doing so at their own risk.

**58.-** Introducing glass objects into the pool area is prohibited. Diving in from the pool edges or from the bridge is forbidden. Animals, bicycles, roller skates, "devil" roller skates, tricycles, and any other toy of this type are also prohibited.

**59.-** The appropriate clothing should be used when using the pool.

**60.-** Tennis courts are for the exclusive use of the purpose they were built for.

**61.-** Tennis players should use the courts prudently in consideration of all other owners.

**62.-** The schedule for use of the tennis courts will be subject to daylight availability according to the season, and at night to the availability of electric power.

**63.-** The following time limitations will apply for the use of the tennis courts: practices for 30 minutes. Singles for 60 minutes and doubles for 90 minutes.

**64.-** The speed limit on all vehicle streets within the condominium will be 10kms per hour. Any violations of the speed limit will be sanctioned.

**65.-** The parking of vehicles on or in front of sidewalks that restrict the use of the same by pedestrians is prohibited.

**66.-** The following vehicles can not be permitted to park in the condominium: trailers, campers, boats, trailer parks, trailer boats, tows, jet skis, or commercial vehicles. The only exception will be the moving trucks that will be allowed during business hours as long as they have written authorization from the administration to realize the delivery. As soon they finish unloading, these vehicles should leave the premises.

**67.-** Vehicles delivering food, pharmaceutical products or groceries will be allowed. They should respect the speed limit in the condominium; a violation of this rule will trigger the expulsion from the condominium, and a report will be made to their respective company.

**68.-** Parking in front of the lobby for the purposes of unloading or picking-up passengers or objects will be limited to 10 minutes.

**69.-** The parking area within the condominium will be restricted to owners and guests; the latter should park their vehicles in a non assigned space or close to the main entrance. If the guest will be parking their vehicle overnight, they will need to obtain a permit from the administration.

**70.-** All owners' vehicles should be registered with the administration; any parked vehicle not registered will be towed to a holding pen after 30 days.

**71.-** To restrain from opening (through the knocking down of walls) new entryways, windows, or clearings in your unit.

**72.-** Modification to the common areas are prohibited, except the ones authorized by the Board of Directors. This includes the exterior of the unit, patios, terrace, gardens, walls, etc. In order to make any changes to the exterior of the unit, design blue prints should first be submitted to the Board for approval.

**73.-** All owners will be responsible for the maintenance and repair of their exterior doors.

**74.-** Owners should allow the Administration or assigned personnel to inspect work done in their unit. This inspection should be done during normal business hours. Its purpose is to make sure that compliance with regulations were observed.

**TWENTIETH ARTICLE.- OF THE ADMINISTRATION.-** The responsibility for the administration of assets and goods affected by the condominium regime will be assigned by the Owners' Assembly, and it could fall under a physical person or a judicial entity. The designation of the first administrator, whose charge cannot exceed a one-year term, is the responsibility of those who constituted the condominium regime.

**TWENTY FIRST ARTICLE.-** The administrator of the Condominium has the following faculties and obligations:

**I.-** To be the executor to the resolutions reached by the owners' and administrative council assemblies, as well as being the legal representative of the condominium in front of others, with the faculties of general judicial empowerment and for administrative acts, with no possibility for said faculties to be substituted or delegated unless expressly authorized by the administrative council. When the condominium forms part of a compound condominium, to observe the resolutions given by the general administrator of the complex. In case of conflict due to the instructions given by the compound condominium administrator and the administrative council, there is an obligation to submit the differences for arbitration to the Urban Development Attorney's office, which should in turn come to a decision which will be final, without leaving any other recourse against the determination.

**II.-** To verify and mind the operation, maintenance of the installations, general services, and preservation of the buildings.

**III.-** To carry out maintenance and administrative expenses.

**IV.-** To collect the dues and issue the receipts for the owners' payments. In order to collect these dues he may use the services of attorneys if it is deemed necessary, without prior authorization from the Board of Directors.

**V.-** To keep the books and documentation that support the incurred expenses; said books shall be updated at least every fifteen days.

**VI.-** To keep the condominium's books, which should be at the minimum three:

**a).-** The first book is to record the owners' assemblies.

**b).-** The second book shall be to record the minutes of the Board of Directors Meetings.

**c).-** The third book, to register the income and expenditures of the condominium, and

**d).-** Whenever the owners' assembly considers it necessary extra books may be kept with auxiliary records as required; computerized systems may be used to keep these auxiliary records (other than those previously mentioned in points a, b, and c)

When the entries are registered in the books the documents pertaining to the aforementioned records must be kept as an appendix. If for any circumstance it was not possible to enter the record in the corresponding books, for validity, said records should be protocolled by a public notary.

**VII.-** To deliver condominium statements to owners' requesting them. The statements that should be prepared during the first half of the months of April, July, October and January of each year, and will be available at the administration offices should include:

**a).-** An analytical report of the expenditures of each quarter.

**b).-** A consolidated report that shows and reflects the income and the overdue maintenance fees.

**c).-** A general list of debtors, explaining the origin of the debt.

**d).-** A list of creditors, explaining the origin of their credits, and

e).- The existing cash balance.

**VIII.-** To convene the owners' assemblies.

**IX.-** To support, and if necessary look for assistance to the committees that might be formed for the conduction of a specific project or to reach a pre-determined objective.

**X.-** To establish prior agreement with the Board of Directors, the policies, terms, and conditions to use, take advantage, and if decided, concession the PALAPA-RESTAURANT located in the pool area of the condominium, and:

**XI.-** All others granted him by the Civil Code or any other ordinance that applies to this position in the constitutive deed and these rules and regulations.

**TWENTY SECOND ARTICLE.-** The official record regarding the designation of the administrator or, the granting of a bond established for the fulfillment of the position, shall be protocolled and registered by the Public Registry office in connection with the condominium property regime.

## **OF THE BOARD OF DIRECTORS**

**TWENTY THIRD ARTICLE.-** The Board of Directors will be formed of at least a President, Secretary, and a Treasurer. The President will be in charge of calling and directing the Board meetings approving through his/her signature the statements issued by the administrator, referred to in article 1029 of the LAW, and perform all the duties that correspond to the position according to the LAW, the CONSTITUTIVE DEED, and the INTERNAL RULES AND REGULATIONS, and the agreement of the BOARD OF DIRECTORS.

The Secretary will be in charge of keeping the records of the Board's work sessions, and the Board meetings with the Administrator, and of the Board meetings with any owner who request their attention for any specific matter. Furthermore, he/she must collect and keep all the necessary paperwork (or at least copy of said paperwork) regarding the subjects discussed in those meetings. The Treasurer will be in charge of reviewing, analyzing, and/or make observations to the accounting documents of the administration, which the Board deems pertinent to review.

The above description of duties for each member of the Board serves only as an example and is not limitative; therefore, the Board members will be able to define their individual duties through an internal agreement, if they wish to do so.

Without limit, the Owners' Assembly could elect as many additional members as they deem pertinent.

**TWENTY FOURTH ARTICLE.-** In order to be member of the Board of Directors it is required to be owner or to occupy a condominium property, the latter with the prior approval of the owner, and be up-to-date in the payment of the condominium dues.

**TWENTY FIFTH ARTICLE.-** The position of Board member is not transferable and honorary; however, the owners' general assembly might deem necessary to establish some type of remuneration to all or part of its members. The board members will stay in their positions until one of the following situations occur:

a).- In they are removed by the assembly decision;

b).- That they resign in writing to their position;

c).- That they stop being owners or that the person who authorized them to act as a board member stops being an owner. In the case of non-owner board member as soon as they stop being residents of the condominium, and

d).- That they incur in debt moratorium for more than 60 days in the payment of maintenance fees

**TWENTY SIXTH ARTICLE.-** The board of directors will have the following faculties and duties:

**I.-** To hold the permanent representation of the owners for matters of common interest with judicial powers of attorney and for administrative matters as well.

**II.-** To supervise that the administrator fulfills his/her obligations and to request statements and reports of all his/her actions; whenever deem it necessary.

**III.-** To meet at least once a month with the administrator to receive his report either verbally or in writing. The report will deal with all the condominium matters including the verification of accounting statements and accounting book entries.

**IV.-** To verify the investment of funds relating to the maintenance, administrative and reserve funds.

**V.-** To assist the administrator in responding to owners' observations regarding the fulfillment of their obligations.

**VI.-** To present an annual activities report to the owners' assembly during the first quarter of the year. The report should include the general status of the condominium and its financial situation.

**VII.-** To take the responsibility for the celebration of any contract that implies the occupation and use of assets and common services by persons who do not reside in the condominium; in the case that contracts are celebrated in violation of the rules and regulations and what is here stipulated, they will be null in matter of law.

**VIII.-** To authorize the administrator to grant or bestow general powers of attorney with judicial and administrative faculties to whomever it is deemed pertinent for matter of defense and representation of the specific condominium interest and for the judicial collection of maintenance dues. He/she may also grant special powers and:

**IX.-** The power bestowed by the administrator and/or the Board of Directors comprise the faculties to comply the audience purposes referred to in the article 282 bis of the Civil Procedures Code of the State of Jalisco, articulate and absolve positions, formulate penal accusations and assist the public ministry, acquire goods in public auctions or outside of them conducting the postures and bids, celebrate transaction agreements, and try and desist of constitutional trials or guarantees . In the powers it will be necessary that the following points be listed:

a).- The instrument through which the condominium regime was constituted in regards to the edification, listing the place and date, the authorizing notary, the instrument number, the generic assets that were affected, their location and the data of their inscription into the Public Property Registry.

**b).**- The faculties that, according to the condominium rules and regulations the board members are vested with, independently of those established by the Law.

**c).**- The reforms that have been done, if that is the case.

**d).**- The public record of the meeting where the board members were designated.

**e).**- The inscription details into the Public Property Registry where the above mentioned points were registered.

**f).**- The public records of the Board meetings where the granting of the powers took place. Said record should be transcribed in what leads to.

**TWENTY SEVENTH ARTICLE.**- The public record and annexes regarding the designation of the Board Members shall be protocolled by a public notary with residence in Puerto Vallarta, Jalisco, and should contain at least :

**I.**- The instrument through the condominium regime was constituted in regards to the edification, listing the place and date, the authorizing notary; the instrument number, the generic assets that were affected , their location and the data of their inscription into the Public Property Registry.

**II.**- The faculties that, according to the condominium rules and regulations the board members are vested, independently of those established by the Law.

**III.**- The reforms that have been done, if that is the case.

**IV.**- The transcription of the conducive from the public record produced, from the deed containing the official protocol, a note will be made in the condominium inscription that is recorded in the Public Property Registry. Said record must also be stated in the condominium book recording minutes.

## **OF THE ASSEMBLIES**

**TWENTY EIGHT ARTICLE.**- The owners' assemblies is the supreme administration body. The assemblies will be either ordinary or extraordinary, DEPENDING OF THE CONTENT OF THE ORDER OF THE DAY (AGENDA).

**TWENTY NINTH ARTICLE.**- The ordinary assembly will meet as many times as the Administrator and/or the Board of Directors deem it necessary, or at the request of the owners, in the terms marked by the LAW. In case that the assembly is scheduled to meet once a year, said meeting must be held during the year's first quarter during which the following matters must be discussed:

**I.**- The general report on the condominium, regarding, assets and services, as well as its financial situation,

**II.**- The election of the board of directors members, and if necessary, of the special commissions,

**III.**- The designation of the administrator; and

**IV.**- The approval of the income and expenses budget for the following year.

**THIRTIETH ARTICLE.-** The extraordinary assembly will meet at any time, when a decision is required in any of the following cases:

**I.-** Modify the condominium rules and regulations.

**II.-** Conduct voluntary or improvement projects

**III.-** To modify or to dispose of the common assets

**IV.-** To agree upon the extinction of the condominium property regime.

**V.-** To incorporate new areas into the condominium property regime or to separate from it some areas.

**VI.-** To request a judge to force an owner to the sale of his/hers condominium rights.

**VII.-** To agree to the reconstruction of the property affected by the condominium regime, and

**VIII.-** The other decisions that correspond to condominium owners gathered in an assembly.

**THIRTY FIRST ARTICLE.-** The assemblies should be called by:

**I.-** The Administrator

**II.-** The Board of Directors

**III.-** The judge of the first instance of civil claims, with jurisdiction in Puerto Vallarta township, at the request of a condominium owners group representing at least a fifth of the condominium rights, or at the request of any owner when the meeting have not been celebrated in over a year, and

**THIRTY SECOND ARTICLE.-** In order to declare an assembly as legally installed in first convocation, it will be necessary to have the presence of owners representing at least 51% fifty one percent of the rights of the condominium. If the aforementioned percentage was not met, a second convocation to the owners will be made to hold a meeting within a term that will be no less than seven days or no more than fifteen days from the day of the first scheduled meeting, and this meeting will be held with the attending owners. The second convocation may be included in the same document where the first call is issued, pointing out that the second convocation will only apply if the required legal quorum is not met in response to the first call.

**THIRTY THIRD ARTICLE.-** The resolutions made in ordinary assemblies will be valid when at least 51% or more of the condominium rights present or represented in the assembly vote in favor of the proposal.

**THIRTY FOURTH ARTICLE.-** Regarding the extraordinary assembly it may be celebrated with whichever number of owners in attendance; however, the reached agreement will only be valid if owners representing a minimum of 75% seventy five percent approve them. Said approval will be obtained either trough an assembly where those present represent the above mentioned percentage, or that they be supplemented within thirty natural days following the meeting celebration, with owners who were absent in the meeting, and who manifest themselves in an authentic form as knowledgeable of the reached agreements and in consequence cast the



approval vote. The only exception to the necessary percentage to approve a proposal by the extraordinary assembly is the case referred to in FRACTION VI of the THIRTIED ARTICLE of these RULES AND REGULATIONS, in which case only 51% of the votes in favor are required.

**THIRTY FIFTH ARTICLE.-** The agreements reached in a legally constituted assembly obligate those absent, dissidents and, if that is the case the residents through any title.

An owner who did not attended an assembly, alleging that he/she was not legally convoked, may challenge the opposability of he reached agreements in that assembly within the thirty natural days following the assembly celebration, as long as they have not executed acts that imply the approval of the agreement they are opposing to, or that said act was conducted with the warning that it does not imply agreement with said decision. The dictated judicial resolution will only have effects regarding the person who promoted it.

**THIRTY SEVENTH ARTICLE.-** The assemblies will be presided by whomever the attending owners designate, taking the votes of the majority of the assembly attendees, independently of the percentage they represent of the condominium rights. The administrator may be designated president of the assembly. The attendees must also elect the Secretary who will be in charge of recording said assembly.

The President of the assembly will also designate two persons, from amongst the owners or their representatives, as scrutinizers, in order for them to proceed and make the list of attendance and certify the number of votes present and represented; said list will detail the name of the owners or the representatives present at the meeting.

The president, secretary and scrutinizers shall sign the list and minutes of the proceedings. The list and minutes may also be signed by any homeowner or representative who so request it.

The list of attendees will be attached, along with the proxy letters when applicable, to the final minutes. The president will declare the assembly as being installed and the assembly will proceed to discuss the points part of the order of the day, included in the convocation, which the assembly will strictly follow.

In the case that, once the assembly is installed, it could not be possible to discuss all the points included in the order of the day, the assembly will be suspended to be continued on the next working day at a time agreed upon by the majority of those present at the assembly.

In this new meeting only the remaining points in the order of the day that were pending of discussion and resolution will be addressed. In the cases anticipated by this article it is not necessary to issue a new convocation for the celebration of a meeting concerning to an assembly that has already been legally constituted.

**THIRTY EIGHTH ARTICLE.-** The convocation to hold the assembly shall be subscribed by whoever issues them. The assemblies must be held, invariable in Puerto Vallarta county, in the State of Jalisco, always looking for the easiest access and most comfort for the owners; preferably they shall be held at the PORTO FINO VALLARTA DEVELOPMENT.

The convocation for an ordinary assembly should be issued at least 15 natural days prior to the scheduled date to hold the meeting.

The convocation for an extraordinary assembly should be issued at least 20 natural days prior to the scheduled day to hold the meeting.

In both cases, the convocations will be affixed in visible places of the condominium buildings on the issued date. In addition, all owners who required to be called at the address they have registered in the administration will be called via registered-returnd-receipt requested mail. The convocation shall be deposited in the corresponding mail office FORTY DAYS prior to the scheduled date for the assembly and the received receipts must be kept in order to support the fulfillment of the aforementioned requirement.

When the convocation is issued by the judicial or municipal authorities it will suffice that the convocation be published within the same aforementioned time frames in one of the most widely distributed newspapers in the state , as well in the official newspaper “El Estado de Jalisco” with no detriment to it being posted in the visible areas of the condominium.

The convocation must establish the day and time for the assembly, the type of assembly that will be conducted, the place for the meeting and the points to be considered.

Any other matter discussed in the assembly that is not included in the order of the day will have no legal force whatsoever, except in the case that one hundred percent of the condominium rights are present.

## **ON THE PATRIMONY AND THE FEES**

**THIRTY NINTH ARTICLE.-** The condominium patrimony will be created with the fees and contributions of any kind made by the owners. They should contribute to cover the maintenance and operational expenses of the installation and services of the condominium , as well as for constituting and keeping reserve funds, based on the percentage of the condominium that their own private unit represents; however, when a condominium consists of different elements and comprises several stairs, patios, gardens, constructions and installations such as elevators hoists, antennas and other elements or devices, that are used exclusively by one or several owners, the expenses originated by said items will be in charge of those who have direct and exclusive use of them.

Each owner should pay to the administration an initial amount equivalent to TWO MONTHLY INSTALLMENTS of the current monthly fees at the time of taking first possession of his/her unit or have the deed subscribed on his/her behalf (or in some cases the title to the trust). When the fund that was constituted through this procedure is completely spent, or the existing fund is not sufficient to cover the needs, a new contribution will be established, prior approval of the owner’s ordinary assembly which will have to be paid in the manner, time and terms established by said assembly.

When realization of certain voluntary or improvement project is ordered as a result of an extraordinary assembly, the agreement regarding the same project should establish the basis to cover the cost. Under no circumstance will payments will be made using the reserve fund when relating to the personal private services of each unit.

**FORTIETH ARTICLE.-** The owners’ fees shall be paid in advance, precisely on the established date, and if said payments were not made, owners will pay as damages up to the amount resulting from considering the average moratorium interest established by the two largest credit institutions in the country applicable to ordinary thirty day non-notarized loans, which could be modified by the Board of Directors following the administrator proposal, and could be adjusted higher or lower according to the circumstances; they should be credited to the reserve fund bank account.

**FORTY FIRST ARTICLE.-** In order to determine the condominium maintenance fees, they should be calculated according to the square meters which correspond to each apartment, house or parking space with storage room (private unit); at the same time the square meters corresponding to areas of exclusive use assigned to the private units should also be included in the calculation.

Based of the disposed in the preceding paragraph, it is established to realize the collection of maintenance fees in the following terms:

**a).-** As far as the private units identified as APARTMENTS, they should pay the maintenance fees based on the terms outlined in the first paragraph of this clause, that is to say that they will pay 100% (one hundred percent) of the mentioned quota.

**b).-** Regarding the private units identified as HOUSES, they should pay the maintenance fees based on the terms established in the first paragraph of this clause, that is to say, they will pay 100% (one hundred percent) of the mentioned quota plus 20% (twenty percent) of the resulting amount.

**c).-** Concerning the private units identified as PARKING BOXES WITH STORAGE ROOM, they should pay only 50% (fifty percent) of the quota calculated on the terms outlined in the first paragraph of this clause.

By virtue of the above, during the first 3 three years starting from the date of the condominium regime constitution, the Developer, in line with the condominium's budgeted expenses, will establish the maintenance fees (quota) which should be applied for the common expenses of the condominium; this should be properly notified to the owners; after the previously mentioned time term and once the administration is properly delivered, the General Condominium Assembly will determine the applicable maintenance fees (quotas).

**FORTY SECOND ARTICLE.-** The statement of account issued after 90 days of the overdue date for the payment, subscribed by the administrator with the approval of the board of directors' president, constitutes an executive title.

The account statement mentioned herein shall detail with precision the amount and origin of the debt, since this might be for fees payments or any other responsibility derived and charged to the condominium, as well as the payments of damages which were caused.

The residents or users of the condominium through any title are jointly liable with the owners for the payment of the established ordinary and extraordinary fees, as well as any other responsibility that may result from their actions.

**FORTY THIRD ARTICLE.-** The obligations in charge of the condominium, will be executed over the funds of the common patrimony; in case that was not enough, the excess shall be paid proportionally to the condominium rights each owners represents.

## **OF THE CONTROVERSIES**

**FORTY FOURTH ARTICLE.-** When controversies arise among the owners concerning their rights regarding the use of their private units and common assets, these will be solved conforming the following rules:

**I.-** Controversies among owners shall necessarily abide by the arbitration of the board of directors.

**II.-** The Civil Procedures Code of the State will be supplementary in these affairs; and

**III.-** All other controversies that arise should be vented in front of a primary court judge in Puerto Vallarta, Jalisco.

**FORTY FIFTH ARTICLE.-** The owner who repeatedly fails to fulfill its obligations or causes unjustified conflicts to the other owners shall be sued by the administrator in front of a Judge of the primary court of claims of Puerto Vallarta, Jalisco, so that in public auction his/her condominium rights be sold to the highest bidder, in the terms established for by the Public Code for Civil Procedures for the State of Jalisco.

To this suit the following documents must be attached as the basis for said suit; copy of the deed regarding the constitutive condominium regime, the reforms to that deed if any, certificate of tax

obligations issued by the Public Property Registry and also the Testimony of the deed that contains the protocol of the Record of the Extraordinary Assembly where the measure was agreed; said measure must be approved by more than half of the total owners. In case of multiple condominiums, it shall suffice that more than half of the titleholders of the condominium, to which the condominium unit whose exclusion is being promoted agree.

The Judge will grant entry to the demand and also will grant a viewing of the affected condominium, notifying him/her that based on the terms of the Law it should be a designation of an expert appraiser, advising that in case the appraiser is not designated the court will do it by default.

After receiving the expert report a date and time for the public auction to be conducted will be established.

**FORTY SIXTH ARTICLE.-** If the person who fails to fulfill the obligations was to be a tenant other than the owner, the administrator with previous approval of the owner, shall demand the person to vacate the apartment. If the owner was to oppose, the administrator will apply to both, the procedure in the terms of the aforementioned article.

#### **CASES AND CONDITIONS UNDER WHICH THE RULES AND REGULATIONS MAY BE MODIFIED**

**FORTY SEVENTH ARTICLE.-** When the Board of Directors feels it is necessary, they will submit to the extraordinary assembly a proposal for the modification, addition and/or correction of these Rules and Regulations. In such case they should follow the procedure indicated in the Extraordinary Assemblies Chapter.

#### **ON THE DESTRUCTION AND EXTINCTION OF THE CONDOMINIUM**

**FORTY EIDHTH ARTICLE.-** If the building affected by the condominium regime was to be totally destroyed or in a portion that represents at least three quarters of its value, any of the owners could ask for the division of the common assets/property in accordance to the general dispositions about joint-property.

If the destruction does not reach the indicated seriousness, its reconstruction shall be resolved through an extraordinary assembly.

The owners who remain in minority are obligated to contribute to the reconstruction in the applicable proportion, or to sell their rights to the majority owners, according to an expert valuation.

The aforementioned rules shall also be observed in case of ruin or inoperability of the condominium.

**This document, (Porto Fino Rules and Regulations) was translated from Spanish into English as a courtesy for the English speaking Porto Fino Owners. However, in case of doubt concerning any interpretation of the present document, the Spanish version shall prevail and be mandatory for all parties.**