

Playa La Jolla Beach Club A.C.

Internal Regulations

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1.0 Association Operating Rules

1.1 Goals

The goals of the Association are to achieve the following:

- A. Provide ongoing services.
- B. Uphold the high standards of planning and implementation envisioned by the original developer and Members to ensure the ongoing development of Playa La Jolla as a premier community.
- C. Regulate the usage and enjoyment of the property, amenities and facilities of the development so as to ensure the best experience for all members.
- D. Improve and maintain the common areas of the Association.
- E. To establish the obligations of the associate members and guests

1.2 Purpose

These rules and regulations automatically bind all persons who acquire lots, houses or any property and possessory rights within the Development at the time of signing a sales contract, a title deed or beneficiary trust. These rules are binding also upon all persons, invitees and licensees, who visit the development. All legal possessors of the Development, by that mere fact are members of the La Jolla Beach Club Civil Association and bind themselves to the rules and regulations of these Internal Regulations, the Board of Directors and Assembly Accords.

With this purpose in mind, all property within the subdivision shall be held, used and enjoyed according to the following rules, limitations and restrictions. These internal regulations and rules may be changed, reformed or enhanced by action of the General Assembly.

1.3 Services

The Association shall provide the following ongoing services:

- A. Trash collection from each property
- B. Water level check and water delivery
- C. Propane level check, ordering propane
- D. Maintenance and improvements of the pool, clubhouse, tennis court and related common area facilities
- E. Security for the development
- F. Beach cleanup as needed
- G. Road maintenance, within the development and coordination with other Playa Encanto Associations to maintain the entrance road from Caborca Highway to the development
- H. Any other services as approved by the Board of Directors

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The Association shall also operate as the common place for members to share information, provide assistance, and communicate with each other to solve problems and solutions associated with living in Playa La Jolla.

1.4 Classification of Users

The Association will have the following classification of member users:

Associates: Associate members are those persons who have acquired property, or possess and have a possessory right under the master trust, within the Playa La Jolla Development, only and during the time that they have such status, since if they are not, their status as such is null and void.

Guests Guest members are any invitees of any Associate and the business invitees and licensees that at the discretion of the Board of Directors can have access to the recreational facilities of the development during such time the Board deems appropriate, while reserving the right to deny access or cancel any granted authorization.

Associates are responsible to educate all guests as to the rules of the Association. Further, if the Associate offers their unit for rent, they must include, at a minimum, "**General Member Obligations**" as outlined in section 2.1 of this document into their rental contract.

The term "members" from now on correspond to both associates and guests members.

1.5 Monthly Dues, Fees, & Special Assessments

Monthly dues are generally set by the Board of Directors, although large changes in dues (larger than 20%/year) require a vote by the general assembly as described in the association bylaws.

The current monthly dues, as of July 1, 2002 are as follows:

- \$150/month for each improved lot
- \$50/month for each unimproved lot

Included within the improved lot dues are 9,000 liters or 2,400 gallons of city water per month. Thereafter, the homeowner will be charged an additional fee at the rate of \$7 per 1,000 liters delivered.

Should an owner build a house or structure that spans two (or more) lots, the Association will consider the dues owed as follows. The first, or main lot, shall be considered an improved lot and the other lot(s) shall be considered unimproved lot(s) in terms of all dues, fees, special assessments and other Association business. However,

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this clause in no way allows or encourages the combining of multiple lots to create buildings with multiple living units as prohibited in section 3.2.2.

The board may be granted authority by the General Assembly, from time to time, to levy additional fees. Also from time to time, the General Assembly may authorize a special assessment due to unforeseen financial needs of the association. All special assessments shall be levied in accordance with the by-laws of the association.

Members shall pay, on a timely basis, all monthly dues and fees, as well as all assessments and other charges as billed by the Association. The Association reserves the right to impose a 30% late fee on any account in arrears more than 25 days which will cover damages and prejudices for the payment delays. Furthermore, if so determined appropriate by them, the Board will order the suspension of the public services being therein rendered to the member and his property (see "Not in Good Standing").

In the event that any public utilities become available to the members of the Association, the Board of Directors shall recommend to the General Assembly for its approval, a plan to implement the required infrastructure to deliver these services to each member. Such a project will require a special assessment if and when it becomes implemented.

1.6 Fines

- A. The Board of Directors has the power to levy fines for infractions to these Internal Regulations committed by the associates and/or their guests.
- B. The Board of Directors will notify the associates verbally and in writing (via e-mail or postal mail), the instances of infractions of these Internal Regulations. The first notification will be considered as a warning. There will be a minimum fine of \$50.00 (fifty dollars) for a second notification and a minimum fine of \$100.00 (one hundred dollars) for a third and subsequent infractions.
- C. There will be an immediate fine of \$50.00 (fifty dollars) and subsequent infractions of \$100.00 (one hundred dollars) to those who use fireworks anywhere inside the Development or on the beach.

1.7 Members Not In Good Standing

The Association only functions properly if all owners pay and do their fair share to create and maintain the proper environment in the development. Members are encouraged to work on the Board and/or committees to have as broad an involvement as possible. The following items are specifically designed to encourage owners to work WITHIN the rules of the Association to effect any needed changes.

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If a member does not maintain a current account, or otherwise violates these Internal Regulations in any substantive way, the Board of Directors may designate that member to be "Not in Good Standing".

Any member who is not in good standing will, at a minimum:

- A. **Cutoff of Services** - have all Association services suspended.
- B. **Use of Common Areas** – right to use the common areas shall be suspended.
- C. **Voting Rights Suspended** - lose their ability to cast votes in the Association.
- D. **Public Display** - Have the fact that they are not in good standing with the association displayed in public, prominent places.

The association reserves the right to impose further sanctions, as needed to get each member to return to good standing status. Any member designated as not being in good standing shall be so notified 72 hours PRIOR to any further action being taken.

While a member is "Not in Good Standing", monthly dues & fees (including late fees) will continue to accrue each month. In order for a member's account to be declared back in "good standing", the account must be paid in full, including a \$200 reinstatement fee.

1.8 Communications

The Association shall strive to keep its members informed of the current status of the association, any current events, and the status of each member's Association account.

1.8.1 Associate Responsibility

It is the Associate's responsibility to maintain at all times current contact information, including e-mail address, mailing address, and phone numbers as applicable with the Association.

The Association shall maintain a website at <http://www.playalajolla.com/> , or as designated by the Board. Its structure shall include:

1.8.2 Public Website

This portion of the website will be publicly accessible. It will include pertinent items such as directions to the Development, Visitor Rules, etc. It shall also include a section for members in good standing to advertise their properties for sale or rent.

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1.8.3 Semi-Public Website

The semi-private portion of the website will be the main place for posting and sharing information pertinent to the ongoing function of the Association. It will have information specific to the Development. It will be the place for members to access:

- A. The current copies of all Association documents
- B. Board and general meeting minutes
- C. Owner tips and other pertinent information

1.8.4 Private Website

The private portion of the website shall be reserved for each member to:

- A. Update the Association on current contact information
- B. View detailed invoices & payments on their account

Members should contact the webmaster@playalajolla.com for assistance in gaining access to the above areas as needed

1.9 Common Areas

1.9.1 Member Use

The common areas within the Development are exclusively for the use of all members in good standing with the Association. Every member in good standing shall have the right and an easement of enjoyment in and to the common areas subject to the provisions of these Internal Regulations.

1.9.2 Private Functions

Members may request authorization to celebrate private social events in the common areas of the Development. In all instances members must submit the request in written form to the Board no less than 72 hours prior to the beginning of the event.

The Board, or its designee, will have the authority to approve, or disapprove the event with any restrictions, responsibilities and payment of any fees that they so decree. In addition, no event may interfere with the general operational needs of the common areas of the Development. No authorization will be granted when the submitted proposals involve events in which a profit is sought or is to be gained. In any circumstance, private social events in the common areas may not be extended past 12:00 A.M and are bound by the "No Loud Behavior" as described in section 2.1.C of this document.

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1.9.3 Commercial Use

The board may allow certain commercial functions to be performed using the common areas of the Association if the board determines that in doing so, it will likely benefit a large number of members and is in the best interests of the Association.

2.0 Civility Rules

These Civility Rules have been developed with the firm purpose of regulating the use and enjoyment of the amenities and facilities of the Development and of the general recreational areas within it. At the same time, these Rules serve as an instrument of regulation to ensure the propriety of all relationships in the development comprising the obligations and personal conduct of all its members.

2.1 General Member's Obligations

The following rules and information have been developed in coordination with the owners and neighbors in the community and are intended to maximize the enjoyment of each member's visit while honoring the tranquil setting that makes this area so special.

- A. **Irreproachable conduct** While within the Development, members must observe an irreproachable conduct, and ensure that their guests and family members do the same, thus showing due consideration to the members of the Development
- B. **Responsibility** Members will have the right to introduce visitors or guests to the facilities of Playa La Jolla Development under the following conditions:
 - Associates will be responsible for the conduct of their guests and will be held accountable for the debts that said guests incur while utilizing the special services rendered by The Association, as well as for any damages that their guests should cause to the facilities and other installations within the Development.
 - Associates are responsible for all fines levied to their guests.
- C. **No Loud Behavior** Member acknowledges that the Development consists of exclusive, private, family homes whose value is dependent upon the environment created by its members. As such, Member shall not permit unlawful activities or boisterous or rowdy and disruptive behavior to occur upon the Premises. Activities known to be problems include, but are not limited to, loud music, racing quads, etc. There will be no music, yelling, or partying loud enough to be heard at other neighboring properties after 10 p.m.
- D. **No Fireworks** Fireworks are not permitted in the Development under any circumstances! There are several reasons: these homes are powered by propane, a

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highly flammable gas stored in outdoor tanks, there are thatched palapas all around, and the nearest fire station is 25 minutes away! In addition, Mexican fireworks are totally unpredictable. Please don't even think about it!

- E. **ATV's, Sand Rails, Watercraft, etc:** Renters and unaccompanied guests are not allowed to bring these vehicles into the Development. All such vehicles must be operated under the direct supervision of an Associate and display a current member sticker as furnished by the Association.
- F. **Speed Limits** Maintain a maximum 10 M.P.H. speed limit on all streets within the Development as well as on the beach. There shall be no "joy riding" on the beach or within the development with quads, ATVs, dune buggies or other motorized vehicles – they should be ridden only to a "destination", not back and forth. Members are reminded that these types of vehicles are not safe when driven recklessly and generate a lot of unwanted noise. Is absolutely forbidden to ride watercrafts faster than 10 M.P.H. within 100 feet of any swimmers, or other watercraft or the shore.
- G. **Total cooperation** with the Association Board of Directors, all Association staff (including Security personnel) and their agents is required.
- H. **Nudity** Public nudity is not allowed at any time.
- I. **Protect the Sand Dunes** They provide valuable protection for the houses from the sea winds. Consequently, it is VERY important that you do not walk, let others play on, or ride vehicles on top of the dunes. These activities will quickly destroy them.
- J. **Parking** It will be the member's responsibility to properly park their vehicles in an orderly manner so as not to impede or block the normal flow of traffic in the recreational areas, including beaches accesses and the development's streets. In addition, no boats, trailers or vehicles of any kind may be stored on a lot – they may be stored in places if so designated by the Association.
- K. **Pool, Spa and Clubhouse** are made available for all members in good standing to use freely during the hours of 8:00 AM to 10:00 PM. The use of these areas is prohibited except during the scheduled hours. No lifeguard services are provided and members must use these facilities at their own risk. Members must abide by all additional rules posted in these areas.
- L. **Garbage** All household trash must be placed and sealed in garbage bags and placed in the containers provided at each house.

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- M. **Glass Containers** All glass containers are prohibited in the pool and clubhouse areas.
- N. **No Solicitation of Association & other Member's personnel** Members of the development shall under no circumstance have the right to or solicit the services of personnel employed by the Association's Board for their personal needs, nor will they have the authority to reprimand them in any way. If any problem arises they must directly report the problem to the Board, who will be the only authority enabled to take actions in such cases. No member can employ other member's employees without his express permission.
- O. **Domesticated pets** are allowed in the Development, but must not to be allowed to roam unsupervised. Unsupervised pets should leashed or chained. Members must clean up animal droppings at all times.
- P. **Alcoholic Beverage Consumption** The consumption of alcoholic beverages within the recreational areas is permitted as long as the physical and moral integrities of the other members are not infringed upon.
- Q. **Conservation** Realizing that potable water, electricity and propane are finite resources, all members shall make prudent use of common areas and minimize the consumption of these resources.
- R. **No Litter** All litter must be picked up by those who generated it. If a member hosts a party, they are responsible for all cleanup afterwards.

Violations of any of the above rules is unacceptable. In this case, the Board of Directors is enabled to intervene, directly or represented by an agent who it designates for this purpose, at it judges best fits the situation.

2.2 Additional Member Obligations

- A. It is expected that each lot in the Development, whether improved or un-improved, be maintained in a clean, kempt manner, consistent with a luxury resort community. This includes no trash accumulation, no visible damage, no inoperative vehicles stored, etc.

If the member of any lot fails to properly maintain his property in a neat, orderly and attractive manner as described in the above two sections, the Association will notify the member of the need to rectify the situation. If the member has not corrected the situation within 60 days after the Association has notified them, the Association reserves the right to correct the condition and to collect the costs of doing so from

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the member.

- B. No disabled vehicles shall be parked within view of the development streets.
- C. No recreational vehicle shall be left parked in the recreational areas or on the development's streets for more than 72 hours.
- D. All recreational vehicles shall be stored in a garage or in a designated storage area of the Development. Under no circumstance shall any recreational vehicle be stored in any recreational area or on the Development's streets, or on empty lot.
- E. In accordance to these rules, all members in good standing shall be able to make use of the recreational areas and general facilities within the Playa La Jolla Development.
- F. The services and amenities offered within the Development will be available to its members every day, excepting those that by reason of maintenance or conservation tasks or any special circumstance that force a suspension of the services. The Board will establish the schedules, which will regulate each of the services, offered within the recreational areas, and the Development, i.e., garbage collection.
- G. It is hereby strictly prohibited for the members of Playa La Jolla to engage in the sale of any articles within the development, with the exception of individual, personally owned items. In addition, it is prohibited to place commercial product advertising, political and/or religious propaganda of any kind. It is also forbidden to solicit donations, organize raffles or contests, to solicit and receive subscriptions of any kind, or to authorize payments to third parties that burden the Association or the Board in any way, unless approved in advance by the Board. The Board of Directors will authorize and regulate the placement of for sale signs on property.
- H. Members will comply with the statutes, rules and regulations and other applicable ordinances dictated by the Board of Directors and Assembly Accords and also be subjected to the compliance of any sanctions, dispositions and restrictions imposed by the Board.
- I. All members of the Development are herein burdened by these very rules, by the sole fact of their status within the Development.
- J. Any instances not covered within these rules shall be submitted to, and resolved by, the Board.
- K. Under no circumstance will any member be permitted to extract any article or objects that are the development's property from the recreational areas.

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- L. The Board will not be held responsible for the loss of or damage to any valuable objects or articles left unattended within the Development.
- M. Any complaint, suggestion or claim regarding the recreational facilities, services, or the Development itself, should be promptly and directly reported in writing to the Board.
- N. Each Associate is responsible to insure that subsequent owners of their lots in the Development are knowledgeable of the Association and its current By-laws and Internal Regulations prior to the completion of the transaction. Furthermore, each Associate must insure the subsequent owner has signed, with a legally binding signature, the Association commitment form provided by the Association.

3.0 Architectural Rules

3.1 Architectural Philosophy

Playa La Jolla Development is certainly one of the most beautiful home areas in Mexico. We have developed standards to implement this philosophy, particularly addressing architectural design and site planning in order to provide direction to lot owners and possessors for the improvement of their properties and to ensure compatibility with the unique environment here in Playa La Jolla Development.

These standards and procedures are binding upon all persons who at any time construct, reconstruct, refinish, alter or maintain any improvement upon the property within Playa La Jolla Development. These standards and procedures may be amended from time to time, and it is the responsibility of each member or other interested person to obtain and review a copy of the most recently revised Architectural Rules.

It is intended that these standards and procedures will ensure a community environment of the highest quality, the preservation and enhancement of the natural desert environment within the community and help protect the relative value of each individual property. All members of the development and any third parties that acquire permission to construct within Playa La Jolla are obligated to follow these Rules.

The Architectural committee will insure that all construction meets the standards of the Development.

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3.2 Architectural Standards

3.2.1 Size

All residences shall consist of a livable area not less than 1,200 square feet (110 sq. Meters), including the walls proper of the house but exclusive of open porches, breezeways, pergolas, garages or any similar extension or projection.

3.2.2 Sub-Dividing & Combining Lots

No lot shall be subdivided into smaller lots nor conveyed or assigned in less than the full original dimensions of such lot.

In addition, no lots may be combined to create multiple living-unit buildings.

3.2.3 Number of Living Units

The Association allows only one single dwelling residence, or house to be built on each lot. A 2nd structure, or guesthouse, is also allowed up to 1 bedroom, living room and kitchen.

There will be no attached multi-family housing, (i.e. duplexes, triplexes, stacked flats, etc.) except as noted in this section. It is permitted to build multiple living-unit buildings, per the chart below:

M01-04	4 units	M11-06	6 units
M11-01	6 units	M11-07	6 units
M11-02	10 units	M11-08	8 units
M11-03	12 units	M11-09	8 units
M11-04	9 units	M11-10	6 units
M11-05	9 units		

Once construction has commenced, as defined in "Improved Lot", EACH living unit shall be considered a separate "improved lot" in terms of Association billing for services, charges, fines, and assessments.

3.2.4 Building Height & Setback Restrictions

Single Story Lot:

When the lot is lower than the street, the maximum allowable height of a floor will be (2') 61.5 centimeters above the average street level, with a maximum building height of (19' 6") 6 meters above the average street level. When the lot is higher than the street, the maximum allowable height of a floor will be at the average level of the lot, with a

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maximum building height of 6 meters (19' 6") above the average level of the lot.

Non-Single Story Lot:

When the lot is lower than the street, the maximum allowable height of the first floor above the street will be (2') 61.5 centimeters above the average street level, with a maximum building height of (27') 8.3 meters above the average street level. When the lot is higher than the street, there can be two floors above the average level of the lot, with a maximum building height of (27') 8.3 meters above the average level of the lot.

Domes and Chimneys:

Towers, chimneys, domes, etc. which exceed the maximum permitted heights will be specially considered and may be approved if they are in keeping with the design theme of the Development. NOTE: The maximum height of a building specified in this section does not include one main dome or cupola (8') 2.4 meters maximum in width.

Setbacks:

All portions of a residence must maintain a minimum of a 5 meter (16') setback from the road that runs along the front of each property or as otherwise approved by the Architectural Review Committee. Construction is prohibited in the setback area of any portion of a residence including pop outs, but not including roof eaves with an overhang not to exceed 1 meter (3' 3") Non-attached guest houses are exempt from this setback requirement.

3.2.5 Perimeter Walls

Perimeter walls shall not exceed two meters (approx six feet) in height above the lot grade. Beach homes with walls on the beach sides of the home shall have a maximum wall height of 3 feet starting from the closest livable area of the house to the shore line of the beach.

3.2.6 Public Access

Each lot as described below shall provide for public access as described in the original development documents filed with the State of Sonora, Oct, 1999 for the Development.

Access is a minimum of 4 meters across, must be allowed between all of the following lots for the use of all members to access the beaches and proper movement within the development. This means that members may not build structures or walls that restrict said movement within 2 meters of their lot's edge on the shared boundary as described below.

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Such access shall lie between lots:

M1-11 & M1-12	M18-2 & M18-3
M1-12 & M1-13	M18-5 & M18-6
M11-7 & M11-8	M19-6 & M16-1
M11-6 & M11-5	M16-9 & M16-10
M11-10 & M11-1	M15-6 & M15-7

3.2.7 Generators

All motorized generators shall be located inside a generator structure, i.e. a garage, or in a separate generator room. All generators shall be equipped with critical exhaust silencers and noise reduction structures so as to minimize the noise they generate.

When running, the total noise of the generator must be no more than 80db as measured in a 5 meter radius around the outside of the generator structure. In cases where the location of the generator is likely to cause significant hardship to a neighbor, the Board of Directors may impose a quieter standard.

No wind generators or turbines are allowed in the Development due to their unsightly poles and support wires.

3.2.8 A/C Units

All air conditioning, cooling systems and ductwork must be obscured from direct view from street level.

3.2.9 Satellite Dishes

No antenna shall be higher than the top roofline, and satellite dishes shall be no larger than 40 inches in diameter. Associates are encouraged to hide these antennas as much as possible so as to minimize their view from street level.

3.2.10 Signs

- No billboards or advertising signs of any nature shall be placed or maintained on any lot or roadway, unless they have been approved by the Association.
- One (1) FOR SALE sign or one (1) BUILDER sign is permitted per lot or living unit. Each may be a maximum size of 24" X 18". They must be removed within 30 days after possession or sale, whichever comes first. Due to the size of the structures, the Villa lots (Manzana 11) may have larger signs as approved by the board

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- OPEN HOUSE signs: Maximum 24" X 18". The property must have someone (owner/agent) in attendance and signs must be removed every evening.
- FOR RENT signs: May be displayed only as approved by the Association.
- OFF SITE signs. No other signs, including directional signs, may be used other than signs required by the Association, or traffic safety signs required by the city.

All signs must remain in good repair. The Association may remove signs not in compliance.

3.2.11 Lighting

No lighting shall stay on continuously. All exterior lighting must be of low-level subdued intensity with the source of light fully shielded, directed downward. Motion detector on security lighting is recommended.

3.2.12 Materials And Colors

Exterior materials shall be masonry stucco finish. Exterior color schemes shall be white or an approved natural tone only. Roof tiles must be shade of red only. These requirements pertain to the main living unit, and any adjacent structures, including garages and guest houses and meter boxes.

3.2.13 Septic Tanks And Garbage

No septic tanks can be placed in front (beach side) of the main house of lots adjacent to the beach or Federal Zone. Septic tanks shall be minimum 3 stages, and all liquids must exit to an approved leach field.

Garbage cans must be accommodated and stored in a protected area and not left on the streets.

3.2.14 Vehicles & Parking

All Associate's vehicles must display a valid Membership Decal per the Association guidelines. All residences must provide on site parking for 2 full size vehicles exclusive of garages or carports.

Motorhomes used as the transportation of an Associate or a guest accompanied by an Associate may be parked on the Associate's lot or in a common area designated by the Board for the duration of the their short-term stay. They may not be parked on the streets of the Development at any time. Renters and unaccompanied guests are not allowed to bring these vehicles into the Development.

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No motorhomes, house trailers, travel trailers, or large volume trucks can be stored on individual lots or the streets of the Development. No such vehicles or temporary structures are allowed to be used as a residence or overnight accommodations.

3.2.15 Water Tanks

All fresh water tanks must installed underground or completely hidden from view if above ground.

3.2.16 Swimming Pools

The construction of swimming pools on individual lots is forbidden.

3.2.17 Spas

Maximum size for a spa is 500 gallons, and a filtration system must be used. In addition, drainage must be accommodated.

3.2.18 Clotheslines

No clotheslines, laundry or service areas are to be visible from any road, beach or adjacent residence.

3.2.19 Residential Use Only

Except for vacation home rentals, no residence shall be used for commercial use, boarding house, hotels, schools, clinics, laboratories, churches, stores, etc. No multiple use buildings are permitted on any residential lot.

3.2.20 Reflective Finishes

No reflective finishes (other than glass, which may not be mirrored) shall be used on exterior surfaces such as roof, walls, trim and fences.

3.2.21 Nuisances

No plant, device, animal or activity shall be allowed that is in any way noxious, dangerous, unsightly, noisy, or unpleasant of a nature that would diminish or destroy the enjoyment of other property owners in the neighborhood.

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3.2.22 Maintenance

If any member of the Development fails to properly maintain his property or possession in a neat, orderly and attractive manner, the Association reserves the right to correct the condition and to collect costs from him.

3.2.23 Property Addressing

Each member is required to display on their property an address with lettering at least 3" tall, but no more than 5" tall in the format of "M01-12".

3.3 Design Review Procedures

3.3.1 Scope And Purpose Of Plan Review

The main responsibility of the Architectural Committee is to review, discuss, approve or disapprove submitted plans by property owners. The Playa La Jolla Beach Club Civil Association is in effect the guardian of the standards, goals, and intentions established in the architectural regulations, working in conjunction with the City of Puerto Peñasco.

3.3.2 Prior Approvals

All new construction plans must be submitted to the Architectural Committee for review and approval. In addition, any construction that affects the outer appearance of the existing structure, including expansion or substantive changes to the exterior must also be submitted to the Architectural Committee for review and approval.

No site development shall be started on any lot in Playa La Jolla Development before all approvals are received from the Architectural Committee and the City of Puerto Peñasco. A copy of all required permits must be delivered to the Association office prior to the commencement of any construction.

3.3.3 Development Fee

The associate shall pay to the Association a development fee of \$2,000 for new construction, and \$500 for substantive additions PRIOR to commencing construction. These fees cover the efforts & costs of the Architectural committee as well as the increased wear on the Association resources

There will be an additional, refundable, clean-up deposit of \$1,000. After final inspection and approval by the Architectural Committee, the clean-up deposit will be refunded. If, however, the construction site is NOT cleaned up by the Associate and/or their agents

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(both during and after completion of construction), the Association shall hire the work done and deduct any expenses incurred in doing so from the clean-up deposit.

3.3.4 Minimum Plan Requirements

All plans must include a minimum of the following, and be reviewed with the associate and Contractor prior to approval:

- A. Associate name, address and telephone number.
- B. Contractor name, address and telephone number.
- C. Three (3) sets of plans. These plans should include, but are not be limited to:
 - North, South, East and West elevations
 - Mechanical
 - Electrical
 - Plumbing
 - Framing
 - Foundation
- D. A certified site plan prepared by an Engineer registered in Mexico, showing set backs, site and street evaluations, location of water and septic tanks, electrical service entrance enclosure, and trash receptacles.
- E. All corners must be pinned and flagged in concrete by an Engineer registered in Mexico.

3.3.5 Plan Approval Procedure

All plans must be submitted in triplicate to the Association, along with the applicable development fee and clean-up deposit. Approval of the plans shall be issued in writing within 21 days after receipt of all required forms, fees and drawings. Two (2) sets of approved drawings will be returned to the associate or contractor. One set of approved drawings shall be located on site at all times in a clearly marked container.

3.3.6 Plan Rejection

If the plans are rejected, notice shall be issued to the owner in writing. Reasons for disapproval shall be clearly indicated by the Committee. An owner may appeal a denial in writing to the Board of Directors.

A re-submittal must clearly show changes made to address the reasons for the rejection and shall follow the same standard procedure as original submittal, although a new development fee and new clean-up deposit shall not be required.

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3.3.7 Variances

The Architectural Committee will shall have the power to agree or deny any requested variance. Variances shall be made under hardship and/or for the good of the Association.

3.3.8 Appeals

If approval of a variance is denied, the owner may appeal the decision to the Board of Directors.

3.3.9 Enforcement

The Architectural Committee may, upon notification of a potential violation, inspect a lot or improvement and upon discovery of any violations, provide a written notice of non-compliance to the owner, including a reasonable time limit to comply with its recommendation or compliance.

3.3.10 Liabilities

The Architectural Committee, any member of the Board of Directors or the Association, shall have no liability to any owner or any other party for damages, loss, or prejudice suffered or claimed in connection with the compliance of these regulations or any other occurrences.

3.3.11 Compliance

If any Associate fails to comply with these regulations set forth, the Association Board of Directors has the right to bring compliance or commence appropriate legal action to recover the costs associated with its actions, including recording a lien against an Associate's lot or parcel.

3.3.12 Notice Of Completion

Upon completion of construction and prior to occupancy, the Associate must notify the Association Architectural Committee for final inspection. Upon completion of final inspection and approval by the Committee, the clean-up deposit will be refunded within 30 days.

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3.4 Construction Regulation

3.4.1 Construction Time

The construction of any structure, remodeling or change shall follow the construction rules from the outset of the construction work, their duration, and until their completion. Any remodeling or new construction must be completed within fourteen (14) months of the beginning of said construction. If construction is not completed within (14) months, a building extension of 2 months may be obtained for a maximum fee of \$1,000.00 U.S. If construction is not completed within the first extension period a second extension of an additional 2 months may be granted for a fee of \$2,000.00 U.S. If construction is not completed with the original period or any agreed extension period the Associate shall pay a penalty fee of \$100.00 U.S. per day until construction is complete or an extension is agreed upon and the fee is paid.

It is the responsibility of the Associate to notify the Association when construction is complete.

3.4.2 Construction Debris And Trash Removal

The Associate and the builder have the responsibility to clean up all trash and debris on and around the construction site at the end of each day. Trash and debris shall be removed from each construction site at least once a week. During the construction phase, each construction site shall be kept neat, to prevent such sites from becoming visually offensive. An 8' X 8' bin made of wire or wood shall be maintained to contain garbage until emptied each week. Any cost incurred by the Association to clean up unsightly construction sites shall be deducted from the Associate's clean-up deposit.

It is expected that all construction materials, equipment and trash all be stored on the member's property and NOT in the street or adjoining properties.

3.4.3 Construction Offices And Storage Facilities

Any builder or Associate, who intends to locate construction storage unit or temporary construction office at a job site, must locate said unit or office within the site boundaries. This unit or office must be removed immediately upon completion of the work.

3.4.4 Sanitary Facilities

Each Associate and builder shall be responsible for providing commercially built and maintained sanitary facilities for the construction workers on the job site. It must be removed immediately upon completion of the work

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3.4.5 Restoration Of Damaged Property

Damage to adjacent lots and parcels will not be tolerated. If such damage occurs, it shall be the responsibility and expense of the Associate to promptly repair or replace the one, which is damaged, including the removal of sand from any lot or beach in Playa La Jolla Development.

3.4.6 Dust And Noise

The Associate shall be responsible for controlling the dust and noise originating from the job site. Noise shall include, but is not limited to: radios or music played by the construction workers. Daily working hours for each construction site shall be the hours of 7:00 AM to 7:00 PM, Monday through Saturday, and no noisy activity on Sunday.

3.4.7 Beach Access

All platted beach accesses must remain open and free of any obstruction, including introduced or transplanted vegetation or construction materials.

3.4.8 Road Obstruction

No construction site may use the road as part of the area used to build a residence. Sand, cement, etc. must be contained on Associate's property, and no adjacent property shall be used for storage or trash collection.

3.4.9 Sand Removal

No Associate or builder shall remove any sand from any location such as the beach, other lots or road area without the written approval of the Associate or trust beneficiary of the property.

3.4.10 Construction Water And Power

All construction water and power shall be the responsibility of the Associate and contractor, and shall not be used from near by homes without written authorization from those neighbors

4.0 Definitions

Association. Can be referred also as Civil Association or "Playa La Jolla Beach Club A.C. Non-profit organization formed by the associates to manage and control the Playa La Jolla affairs.

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Associate. Any person or legal entity that is a legal possessor of property in the Development and has legally joined the Playa La Jolla Beach Club A.C. Owners Association.

Assembly Accords. These are the resolutions of the majority of the associates in Ordinary General and Extraordinary Assemblies. The Ordinary General Assembly is the Annual Meeting of the Association. Extraordinary Assemblies are those described in the Bylaws and its resolutions have to be formalized before a Notary Public and recorded.

Architectural and Construction Rules. Set of rules that are part of these Internal Regulations, which provide binding procedures to all the associates, and developers who construct within the La Jolla Development.

Civility Rules. Set of obligations and personal conduct rules that are part of these Internal Regulations and are binding to all associates and guests members.

Constitutive General Assembly. Is the first organizational meeting among the constituent associates, to form the Civil Association.

Construction. Any improvements, whether new construction or remodeling of an existing residence. Improvements include structural modifications only.

Developers. Associates or non-associate constructors who have the authorization of the Association's Board of Directors to build within the Development.

(The) Development. All lands within the subdivision of the Playa La Jolla Development of Puerto Peñasco, Sonora, Mexico.

Future development is all new construction in The Playa La Jolla Development.

Good Standing: Associates are generally considered to be in good standing by the board if they make prompt payment to the Association for all charges, fines and assessments, and they, their families and guests abide by all of the Internal Regulations. If the Associate is not making prompt payments for the above, or they, their families and guests are not abiding by the Internal Regulations, the Board of Directors, at its sole discretion, may determine that an Associate is NOT in good standing. When an Associate is determined not to be in good standing, the board shall notify the Associate, in writing, of their change in status and what is required to be re-instated in Good Standing.

Guests. A guest is defined as any invitee of an Associate including, but not limited to friends, relatives, contractors, renters, and guests of same.

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Members. All associates and guests.

Improved Lot: Is when construction has commenced, as defined as when the footings and/or foundation have been installed.

Legal Possessor is a buyer of a lot or property by sales contract, public deed, or be the beneficiary of an individual Bank trust within the Development.

Master Trust. Commercial housing development for foreigners in Mexico's "Restricted Zone", which is the strip of national territory consisting of 50 kilometers of width running along the coastlines.

Non-Associate Any person or legal entity that is a legal possessor of property in the Development and has NOT legally joined the Playa La Jolla Beach Club A.C. Owners Association.

Non Single Story Lot Any lot not designated as a single story lot.

Setback Is the area between the property boundary and the primary structure.

Single Dwelling Residence. Any livable area served by a separate entrance and including a kitchen facility, bathroom, and sleeping area that is or can be isolated from another unit(s), or that co-exists with another unit on a residential lot whether it is attached or detached.

Single Story Lot No building on a beachfront (Manzana 01, Lots 05-11 and Lots 13-20) or estuary front lot (Manzana 16, Lots 1-15) may exceed 6 meters in height.

Site Development. Any construction activity including fill work, grading, fencing, or on site location of construction materials on any lot in the Playa La Jolla Development core.

Two Story. The number of above grade levels that can be constructed on a lot not designated single story. Grade level is either a maximum of (2') 61.5 centimeters above the average street level for lots below street level or the average level of the lot determined at 5-meter intervals for lots with elevations above the street level. The maximum height of a two-story residence is (27') 8.3 meters.

Unimproved Lot: any lot where construction has not commenced, as defined as when the footings and/or foundation have not been installed.