

**Neighborhood Association of Villas del Centenario
INTERNAL BYLAWS**

LA PAZ, BAJA CALIFORNIA SUR

CHAPTER I

ARTICLE 1. - CONSTITUTION OF THE PROPERTY OF ASSOCIATION OF NEIGHBORHOODS.

1.1 The Fraccionamiento Villas del Centenario Property with a total area of 09-66-46 hectares (nine hectares, sixty six areas, forty six centiares, 98,646.075 m²) whose measurements and limits are contained in the descriptions, plans and designs included in The Project, as stated in official communication number 706/122/2009 authorized by the General Directorate of Human Settlements by Municipality of and by the State of Baja California Sur, composed of lots of private area, common area and service area and Federal concession zones, if applicable, which are constituted in notarial deed 118,418, Volume 2,253 passed by the faith of Notary Public number 07, Lic. José Alberto Castro Salazar, owned by Centenario National S. de RL de CV.

These agreements, codes and restrictions (CC & Rs) are established as guidelines and rules for the Development of El Fraccionamiento Villas del Centenario AC, and will be established as part of the sale contract between the Developer and the Settler and will be incorporated into any Trust, Trust Banking or deed according to the provisions of the Mexican Republic. They will establish the obligation between the Original Settler (whoever purchases Units within the Development, which purchases from the Developer) as well as any future purchaser of Units from the original Settler. These CC & Rs may be modified occasionally by approval in the General Assembly by a minimum of 75% of the Association's members.

ARTICLE 2. - APPLICABLE LEGAL PROVISIONS.

2.1. The legal provisions indicated in article 956 and others related to the Civil Code for the State of Baja California Sur, in the provisions indicated in the Regulation for Fractions for the State of Baja California Sur and other applicable Laws are applicable to these Statutes as well as those issued by the Statutes and Assemblies of the Civil Association.

2.2. All those issued through this Regulation.

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

3.1. The following persons are obligated and subject to the Bylaws, the legal provisions indicated in articles 1 and 2 of this Regulation, and any resolution of the Assembly of Associates, the Board of Directors or the Committees that are created

in terms of the bylaws of the Civil Association Asociación de Vecinos Villas del Centenario:

- (a) The owners;
- (b) The occupants, whether by contract of possession, lease, use or enjoyment, Trust or any other form of transfer of ownership, material or legal.
- (c) The Assembly of Associates of the Fraccionamiento Asociación de Vecinos Villas del Centenario AC;
- (d) The board of directors
- (e) The administrator
- (f) The Committees that emanate according to the Social Statutes of the Civil Association Asociación de Vecinos Villas del Centenario.
- (g) The service staff;
- (h) The declarant; constituted by the company Centenario National S. de RL de CV or its successor.

CHAPTER II

DEFINITIONS

ARTICLE 4. - DEFINITIONS OF THE TERMS USED.

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

4.1. "Administrator". It will refer to the natural or legal person designated by the Declarant, and / or later to the one designated by the General Assembly of the Civil Association, as Administrator, who will be authorized to operate, maintain, repair and manage the Common Areas and Common Assets of the Neighborhood Association Villas del Centenario and to Enforce the present Bylaws and the Design Guidelines.

4.2. "Applicable provisions". It will refer to the Law, the Civil Code, the Internal Regulations and the statutes.

4.3. "Assembly of Owners". It will refer to the congregation of Property Owners who constitute the highest authority of the Villas de El Centenario subdivision.

4.4. "Common areas". It will refer to those areas within the Fraccionamiento Villas del Centenario including streets, corridors, easements for service wiring, open spaces and areas of common use necessary for access, service, convenience, appearance, recreation and security. that are common property in proportion to the Undivided Pro with respect to the areas that are part of the heritage of El Fraccionamiento Villas del Centenario, whose use, enjoyment and maintenance responsibility are shared by all the members of El Fraccionamiento de Villas del Centenario.

4.5. "Common assets". It will refer to all the buildings and equipment within El Fraccionamiento Villas del Centenario, which are common property in proportion to

the Pro Indiviso represented by each Lot Unit and individual home building of El Fraccionamiento Villas del Centenario, and whose use, enjoyment and maintenance responsibilities are shared by all. Present and future members of El Fraccionamiento Villas del Centenario.

4.6. "Owner". It will refer to one or more natural or legal persons who are, jointly or separately, the owner registered with the Administrator with legal title of one or more Individuals, or identified as trustees of the same.

4.7. "Contributions". It will refer to the following rates:

(a) "Ordinary contributions or fees" will refer to the ongoing fees that the Owners will pay for the contracted private security, the direct cost of pumping water (electricity and maintenance) and garbage collection, as well as the administration and maintenance of Common Areas and Assets. Common and those amounts that must be covered for the creation of reserve funds (the "Reserve Fund") and any other funds that the Assembly of owners or the Board of Directors may determine to cover additional unforeseen expenses, as established in this Statute.

(b) "Contributions for Improvements" will refer to a special rate to cover the construction costs of any improvement, installation or equipment that forms part of the Common Areas and Common Assets as established in these Bylaws.

(c) "Extraordinary contributions or fees" shall refer to any amount to be paid by the Property Owners to cover emergency expenses, repairs and unforeseen reconstructions incurred in the Common Areas and the Common Assets of the Villas de El Centenario subdivision, as established in these Bylaws.

(d) "Contributions for Fines" will refer to any charge or sanction imposed by the Administrator to any member of this Association due to:

(1) Failure to make payment of contributions in a timely manner.

(2) Any expense incurred by the Villas del Centenario Neighborhood Association and / or the Administrator due to the owners' breach of these Bylaws.

(3) Expenses incurred by the Villas del Centenario Villas del Centenario Neighbors Association and / or the Administrator for the repairs of any damage caused by the Property Owner or by its Occupant to any part of the Common Areas or Common Assets.

(4) Expenses incurred by the Villas del Centenario Neighborhood Association and / or the Administrator for mandatory compliance with the Bylaws or Design Guidelines with respect to the Property Owner.

4.8. "Federal Concession Zone". It will refer to any area along a stream that is designated Federal Government property.

4.9. "Trust". It will refer to a Mexican banking institution, acting in accordance with its fiduciary capacity as the owner of a Person, Housing Unit or lot owned for the benefit of an owner.

4.10. "Improvements". Shall refer to all structures and accessories of any nature, including but not limited to: buildings, additions, stairs, palapas, driveways, patios, decks, garages, driveways, pathways, walkways, parking areas, fences, entry gates, security gates, guards. huts, signage, retaining walls, swimming pools and other recreational facilities, gardens, showers, plants, trees, shrubs, lawns, poles, water, sewer and electrical cable, garbage collection facilities, sewage and other utility systems, outdoor lighting , outdoor tanks, solar energy systems, outdoor antennas, parabolic antennas, water systems and equipment and any other improvements, repairs and modifications of any nature.

4.11. "Individual Housing Unit". It will refer to an individual lot located within the Fraccionamiento Villas del Centenario.

4.12. "Master plan". It will refer to the complete plan that indicates the way in which the areas such as Private Areas, Common Areas, Service Areas, Concessioned Federal Zones, traffic routes, roads and infrastructure that make up the Villas del Centenario subdivision are organized.

4.13. "Occupant". It will refer to a Property Owner or any natural person to whom a Property Owner delegates his rights to use and enjoy his Individual Housing Unit, including, but not limited to: members of his family, guests, tenants and any other person with authorization from the property owner.

4.14. "Rules of operation". It will refer to those rules adopted and modified by the Administrator, to operate and regulate the use of the Common Areas in accordance with the provisions of these Bylaws.

4.15. "Design Guidelines". It will refer to those standards established for the site layout and the exterior design of all buildings, landscaping, swimming pools, exterior mechanical equipment, lighting, signage and any other construction, addition, change, repair or maintenance carried out within of the property of the Fraccionamiento Villas del Centenario, in accordance with the provisions of article 12 of the present Bylaws.

4.16. "Design Review Committee". It will refer to the committee appointed by the Board of Directors or the Members' Assembly, which will be in charge of reviewing and approving the design and construction proposals within the Villas del Centenario Fractionation Property and ensuring compliance with the Design Guidelines, in accordance with the present Bylaws. This committee will have 3 (three) members, where at least 1 (one) member has knowledge in construction practices.

4.17. "Fraccionamiento Villas del Centenario". It will refer to the property system established for the development of the Villas del Centenario Fractionation, with Private Areas, Common Areas, Service Areas and Federal Concessions Zones, which is located in the town of El Centenario, Municipality of La Paz, Baja California Sur ("BCS."), United Mexican States ("Mexico").

4.18. "Fractionation System". It will refer to the deed of the Villas del Centenario Fractionation System as described in article 1 of these Bylaws.

4.19. "Private Areas". It will refer to those Housing Units designated as express private property of an owner.

4.20. "Service areas". It will refer to those areas designated for services that include highways, water channels and other infrastructure, whether owned by the Asociación de Vecinos Villas del Centenario or the Municipal, State or Federal Government Agencies.

4.21. "Services". It will refer to services such as infrastructure and water, which are provided by the Urbanization of the Fraccionamiento Villas del Centenario itself, not including electricity or gas services, which must be contracted individually by each Owner.

4.22. "Association of Neighbors Villas del Centenario, AC". It will refer to the non-profit society that has been created under the Mexican laws of the State of Baja California Sur, composed of Owners as members, for the purpose of exercising the powers and functions of Associates in the Asociación de Vecinos Villas del Centenario AC

4.23. "Bylaws". It will refer to the statutes and rules contained in this document that govern the Association of Neighbors Villas del Centenario AC

4.24. "Board of Directors". It will refer to the Supervision Committee made up of three people; President, Secretary and Treasurer of the Board of Directors of the Asociación de Vecinos Villas del Centenario, AC, initially appointed by the Declarant and later by the Assembly of Owners; Said committee will verify that the Administrator complies with the resolutions adopted by the Assembly of Owners and with the obligation to maintain, repair and administer the Common Areas, as well as protect the interests of the Asociación de Vecinos Villas del Centenario, AC

CHAPTER III

USE OF PROPERTY

ARTICLE 5. - COMPOSITION OF THE MASTER PLAN FRACTIONATION.

5.1. For the purposes of these Bylaws, Villas del Centenario subdivision is divided as described below:

- (a) Private areas;
- (b) common areas and common goods;
- (c) service areas;
- (d) Federal Concession Zones;

5.2. Private Areas.

The Private Areas are made up of the Individual Housing Units Properties within the Property Fractionation Villas del Centenario acquired, used and enjoyed by the Owners or Occupants as the case may be, in accordance with the Law, the Civil Code, the Internal Regulation of the Fractionation and these Statutes.

5.3. Common Areas and Common Assets.

Common areas and common assets are those units designated as common use areas and assets necessary for access, services, convenience, appearance, recreation and security within the Fraccionamiento Villas del Centenario Property, in accordance with the Applicable Provisions. The following assets, together with those established in the applicable provisions, will be considered common property of the present or future Owners and will constitute Common Areas and Common Assets;

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

(b) The administration area, booths and maintenance facilities, equipment from any other facility for general and special services within the Fraccionamiento Villas del Centenario.

(c) All the infrastructure located within the Fraccionamiento Villas del Centenario necessary for the maintenance of Common Areas and Commons, including storage tanks, mechanical equipment areas, electrical wiring or piping, water and sewage, cables and other facilities wherever they are located, and the property where such facilities are located. The Common Areas and Common Assets may in no case be divided or modified in their form, construction, design or use, if not expressly authorized by a resolution adopted by the Assembly of Owners, in accordance with the provisions of these Statutes, or instituted by Declarant.

5.4. Service areas.

The Service Areas will be property areas as defined in paragraph 4.20 of these Bylaws.

5.5. Federal Concession Zones.

The Federal Concession Zones will be the property areas as defined in paragraph 4.8 of these Bylaws.

ARTICLE 6. - RESTRICTIONS ON THE USE OF THE PROPERTY.

6.1. General restrictions of the Villas del Centenario subdivision.

The use and enjoyment of all individual housing units is subject to limitations and restrictions. The application of these limitations and restrictions will be interpreted by the Assembly of Owners, who may eliminate all or some of the limitations and restrictions, if in any circumstance they are considered inappropriate. Such interpretation or elimination must be established in writing; Verbal interpretations and deletions will not be considered valid. The removal of any particular limitation or

restriction from the Bylaws or Design Guidelines will not affect the validity of any other rule, statute, or design guideline that will remain in effect.

6.2. The Owners are obliged to comply in ecological matters, with the provisions of the General Law of Ecological Balance and Environmental Protection of the State of Baja California Sur, and by the respective Federal, in order to carry out the transplanted of cacti and plants protected areas and integrate into their development those determined by the competent authority.

6.3. The Owners are obliged in at least 50% of the total surface of the property, to avoid altering the natural condition in which the vegetation is found on the property.

6.4. Homeowners are required to obtain written approval from the Design Review Committee before beginning any construction on the property.

6.5. Homeowners are obligated to avoid using the property for purposes other than single-family residential. Commercial use of the property is prohibited, with the exception of residential rental or a home office where customer visits do not disturb the neighborhood.

6.6. Owners will be limited to a maximum combination of 4 vehicles, cars, trucks, trailers or boats less than 30 feet in length per lot to maintain harmony within the Fraccionamiento Villas del Centenario. Vehicles in poor condition can only be stored in a garage.

6.7. Owners, from 10:00 pm to 7:00 am, must reduce the volume of any instrument or tool to a lower level, in order to maintain the community tranquility.

6.8. All signs, including site entrance, address, directional, regulatory, service area, construction, and temporary signs, must be designed to fit the overall architectural theme of the Fraccionamiento Villas del Centenario. Signs intended for political, religious, commercial, special interest, or any other purpose not consistent with residential life are prohibited. Property "for sale" signs are allowed.

6.9. The main entrance will be operated by an independent private security service, which will be hired by the Board of Directors and/or Administrator. Ordinary contributions will cover the cost of security guard services.

The security services will be retained once 20 homeowners have taken possession of their homes and the Common Areas have been delivered.

It is understood that ordinary contributions will begin to be charged starting on the date when the homeowner has taken possession of their home.

6.10. Government agencies and emergency services (federal, state, municipal, and others such as emergency medical personnel, firefighters, Federal Electricity

Commission personnel, postmen, and garbage collection trucks) will not be denied access.

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

6.12. Individual water supply systems and sewage systems within any individual Housing Units must be designed, located, built and equipped in accordance with the requirements, guidelines and recommendations of the Drinking Water and Sewerage Operator of La Paz and any other administrative authority.

6.13. No Owner may under any form or circumstance subdivide his Housing Unit.

CHAPTER IV

FINES

ARTICLE 7. - Application of fines.

7.1. For not complying with and violating these Statutes and / or Internal Regulations, the following sanctions will be applied:

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

(b) The second infraction or breach, identical or similar to the previous one, will be sanctioned with a fine of \$ 2000.00 (two thousand pesos 00/100 Mexican National Currency), the payment must be made within ten (10) calendar days following the notification date.

(c) The third infraction for non-compliance, identical or similar to the previous one, will be sanctioned with a fine in the amount of \$ 5,000.00 pesos (five thousand pesos 00/100 Mexican National Currency), the payment must be made within ten (10) calendar days following the date of notification.

(d) The Fourth or more infractions or breaches identical or similar to the previous ones will be sanctioned with a fine in the amount of \$ 10,000.00 pesos (ten thousand pesos 00/100 Mexican National Currency), the payment must be made within ten (10) calendar days following the date of notification.

(e) In the event of a Fourth Violation or non-compliance identical or similar to the 3 above, a lawsuit will be filed by the Owner to demand compliance with these Bylaws.

(f) Homeowners who do not pay contributions will not be able to vote at the Homeowners' Meeting and will pay default interest on the amounts at a rate of 3% per month until the contributions due are paid in full.

CHAPTER V
RIGHTS AND OBLIGATIONS OF
OWNERS AND OCCUPANTS

ARTICLE 8. - Property rights, owners and occupants.

8.1. The owners and occupants will have the right to use and enjoy their individual property. Housing Units in accordance with the Applicable Provisions, Operational or Internal Rules adopted by the Administrator and Occupants.

8.2. The OWNERS may lease, sell, mortgage or in any way encumber their property rights, subject to the limitations and conditions stipulated by the Applicable Provisions. However, in no case may they close a sale or resale until the Property Owner is within the possibility of stating that he has obtained each and every one of the authorizations required and granted by the Design Review Committee and until the Property Owner has paid the corresponding contributions or fees to the Neighborhood Association of the Fraccionamiento Villas del Centenario, AC

8.3. The owners may use or enjoy the common areas and common assets of the ASOCIACIÓN DE VECINOS VILLAS DEL CENTENARIO AC, provided that such use does not limit the rights of use and enjoyment of the Common Areas and Common Assets of the Villas del Centenario Fraccionamiento, subject to those other easements, agreements, conditions, restrictions and provisions of these Bylaws.

8.4. The Owners may delegate their rights of enjoyment of Common Areas and Common Assets to members of their families, guests and other Occupants, in accordance with this instrument. However, each owner will be responsible to the Villas del Centenario Neighborhood Association of the Villas del Centenario Fraccionamiento and the Administrator, for any damage to Common Areas and Common Assets that may have been caused by negligence or willful misconduct of said Owner, your family, guests or Occupants.

8.5. Owners shall have the right to make improvements within the limits of their Housing Units, provided that they obtain prior authorization from the Administrator and the Design Review Committee of the Villas del Centenario Villas del Centenario Neighborhood Association, in accordance with the provisions of article 12 of these Bylaws.

8.6. Each owner will have the right to one vote per individual. Per Housing Unit owned in the Villas del Centenario AC Neighborhood Association, of the Fraccionamiento Villas del Centenario.

ARTICLE 9. - OBLIGATIONS OF THE OWNERS AND OCCUPANTS.

9.1. Owners and occupants must make use of their Housing Units, Common Areas and Common Assets in a correct and orderly manner in accordance with morally correct and accepted customs and habits.

9.2. Housing Units, Common Areas and Common Assets, must be used in accordance with the Applicable Provisions and in accordance with the Operating Rules adopted by the Administrator. It is prohibited, within said units and areas, to perform acts that may affect the tranquility and peaceful enjoyment of other Owners or Occupants or that may endanger the cleanliness, comfort, prestige and appearance of the Asociación de Vecinos Villas del Centenario AC, of the Fraccionamiento Villas del Centenario.

9.3. In accordance with the provisions of the law, the rights of all Owners with respect to the Common Areas and Common Assets are inseparable from their exclusive private right over a Person. Therefore, each Owner will be subject to each and every one of the obligations imposed by the Applicable Provisions regardless of the right of each Owner to abandon and renounce their right to use any Common Area or Common Good.

9.4. No Owner will be exempt from the contribution payments or fees imposed by the Board of Directors or the Assembly of Owners; Likewise, no Owner may be released from liens, charges and other provisions contained in these Bylaws in reference to their Housing Unit by the simple fact of renouncing the use and enjoyment of the Common Areas and Common Assets. from the Villas del Centenario AC Neighborhood Association, from the Villas del Centenario Fraccionamiento, or abandoning their Housing Unit.

CHAPTER VI

OWNER CONTRIBUTIONS OR FEES

ARTICLE 10. - CONTRIBUTIONS OR FEES.

10.1. Owners when acquiring property rights over a Housing Unit through a deed, promise contract or any other document are obliged through said document, to pay fees or contributions.

10.2. All Contributions or Ordinary Fees, Contributions for Improvements and Contributions or Extraordinary Fees must be calculated in equal parts for each Housing unit of the Asociación de Vecinos Villas del Centenario, AC,

ARTICLE 11. - USE OF FEES OR CONTRIBUTIONS.-

11.1. Contributions or ordinary fees and fees or contributions for services (See 4.7 (D) and 11.9) will be used to cover routine expenses related to the administration

and maintenance (not for the initial construction) of the common areas and common goods. of the Asociación de Vecinos Villas del Centenario AC, of the Fraccionamiento Villas del Centenario, in order to preserve the quality of access, services, convenience, appearance, recreation and security within the Association of Neighbors Villas, and preserve property values and satisfy the collective needs of the Association, in accordance with the Applicable Provisions. The routine expenses that will be covered by the Contributions or Ordinary fees include, among others, the following:

- (a) Salaries, salaries and benefits for people who are service providers of the Villas del Centenario AC Neighborhood Association, of the Fraccionamiento Villas del Centenario.
- (b) Costs of repair and maintenance of the infrastructure of Common Areas, landscaping, buildings and equipment.
- (c) Purchases of equipment, tools and materials used for the repair and maintenance of common areas and common goods.
- (d) Rates for services that include electricity, water, gas and telephone used by the Fraccionamiento Villas del Centenario.
- (e) Insurance policies.
- (f) Concession payments from Federal Concession Zones.

11.2. Based on an annual budget prepared by the Administrator and the Board of Directors, approved by the Assembly of Owners, the Assembly of Owners will establish the Ordinary Fees to be paid by the Owners in accordance with these Bylaws.

11.3. The Board of Directors or Administrator will deliver to each Owner an annual operating budget for the corresponding fiscal year within a period of thirty (30) calendar days before the Annual Meeting; Said budget must include a calculation of the total expenses necessary to operate the Asociación de Vecinos Villas del Centenario, AC, of the Fraccionamiento Villas del Centenario. Based on said budget, the Administrator will budget the amount of the Ordinary fees to be paid by each Owner.

11.4. Until the construction of the Villas del Centenario subdivision is fully completed, the Ordinary fees will be distributed and covered only by those Individual Property Owners who have received possession of the Property during the fiscal year in question. The Common Areas, Service Areas and Federal Concession Zones will be exempt from the payment of the Ordinary fees.

During the construction of the Villas del Centenario subdivision and until it is completed, the Ordinary fees will be paid by those Owners whose developments have been completed or who are under construction and by those who offer their property for sale to the general public, during the financial year in question. The Common Areas, Service Areas and, where appropriate, Federal Concession Areas will be exempt from the payment of Ordinary fees.

11.5. Once the annual budget and ordinary contributions and contributions for services have been approved, on behalf of the Assembly of Owners, all Owners will

be obliged to pay their share of the Ordinary Contributions or fees, and contributions for services during the first forty-five (45) calendar days after the approval of the budget. In the event that the Homeowners Assembly does not reach an agreement on the budget, it will be increased in accordance with the annual inflation rate indicated by Banco de México. Each payment must be made on the date stipulated in the written notification or email sent to the Owners for such purposes.

11.6. In the event that the Board of Directors for any reason determines that the annual budget for any fiscal year is inadequate to cover the expenses of the Asociación de Vecinos Villas del Centenario, AC, during said year, the amount will be determined immediately. necessary to adjust the budget and will prepare a complementary budget that includes the additional expenses for the Asociación de Vecinos Villas del Centenario AC, as well as the amount of the Contributions or Ordinary fees to be paid by the Owners. As soon as the General Assembly approves the supplementary budget, the Owners will be obliged to cover the Ordinary Contributions derived from the annual and supplementary budgets on the date or dates that the Administrator or the Board of Directors notify.

11.7. Regardless of any requirement included in these Bylaws, the Board of Directors will have the right to impose an Extraordinary Fee or may increase any other contribution as necessary to cover costs and expenses related to emergency situations:

(a) Any unanticipated expenses required by court order.

(b) Any emergency expenses in excess of the reserve fund for repair or maintenance of the Fraccionamiento Villas del Centenario, or related goods under the responsibility of the Administrator, knowing that the safety of people or private property is in danger. Prior to the collection of an Extraordinary Contribution, the Administrator will deliver a notification describing the need to make said extraordinary expense and the reasons why it was not determined in the process of preparing the corresponding annual budget.

11.8. As part of the Ordinary Quota budget, the Board of Directors and the Administrator, with prior authorization from the General Assembly, will establish and maintain a reserve fund to provide funds to cover unforeseen or emergency expenses during the fiscal year in question. The amount of this fund will be determined each year as part of the annual budget approved by the Homeowners Assembly.

11.9. Contributions for Services will be paid in equal parts by homeowners and lot owners who have had their construction approval from the architecture committee. In this sense, all members must pay Contributions for Services. "Contributions for Services" will refer to the budgeted costs of contracted private security, the direct cost of pumping water (electricity and maintenance) and the cost of garbage collection.

11.10. The Board of Directors, with the prior authorization of the Assembly of Owners, may impose Contributions for Fines. Each occasion in which the Owner in question

incurs in default of the timely payments of his contributions and other fees or charges determined by these Bylaws, he will be excluded from the right to vote on any matter that the Owner would have voted otherwise, said suspension will continue until that said non-compliance be corrected.

CHAPTER VII

Architectural Control

ARTICLE 12. - DESIGN GUIDELINES.

12.1. Any building or construction, whether existing or carried out within the Asociación de Vecinos Villas del Centenario, AC, of the Fraccionamiento Villas del Centenario will be governed by the design guidelines. Said guidelines constitute an integral part of the Bylaws and unless the declarant or the specific grant authorization Design Review Committee, compliance with the design guidelines is mandatory for all buildings and construction within the Asociación de Vecinos Villas del Centenario, AC, of the Fraccionamiento Villas del Centenario.

12.2. Each new owner will receive a copy of the applicable design guidelines. Existing owners will be notified of new changes to existing guidelines. The modifications made to the Design Guidelines will not nullify the previously authorized plans under any circumstances and the Owner of a Housing Unit will not be obliged to modify or alter said unit to comply with the modifications of the Design Guidelines, until said Owner of the Property makes new modifications or additions to said unit.

12.3. Modifications to the design guidelines.

The Design Guidelines may be modified by a majority of 75% (seventy-five percent) of the votes of the Owners present at the Owners' Meeting as established in Article 14 of this instrument.

ARTICLE 13. - DESIGN REVIEW COMMITTEE.

13.1. All designs for new constructions, additions or changes to existing constructions anywhere within the Asociación de Vecinos Villas del Centenario, AC, of the Fraccionamiento Villas del Centenario They will be authorized by the Design Review Committee. The design of any new construction or modification must be submitted to the Design Review Committee for authorization prior to the start of any construction.

13.2. The direction of the Design Review Committee will be the main office of the Administrator of the Asociación de Vecinos Villas del Centenario, AC, of the Fraccionamiento Villas del Centenario, which is located in the town of El Centenario, Municipality of La Paz, BCS, Mexico. Said address will be the place where the plans and specifications will be presented as well as where the necessary meetings will be held and it will be the place where the authorized plans and the Design Guidelines will be kept.

13.3. Disclaimer in the approval of plans.

Drawings and specifications submitted to the Design Review Committee for authorization are not approved in reference to engineering designs. For that reason, when approving any plan and specification, the Design Review Committee, its members, the Administrator, the Declarant and the Asociación de Vecinos Villas del Centenario AC, del Fraccionamiento Villas del Centenario does not assume any responsibility for said plans or for any defect in the structure to be built in accordance with said plans and specifications, or for non-compliance with the Applicable Provisions.

13.4. Appeals.

If the owner is denied approval of a home design by the Design Review Committee, the owner may alternatively collect signatures representing ownership of at least 51% of the registered lots, excluding developer lots, to override the committee's decision.

- (a) One owner's signature per lot is allowed.
- (b) The signing parties must acknowledge, in writing, having completely reviewed the design of the house in question, as well as having reviewed the "Document of Reasons for Non-Approval" issued by the Design Review Committee.
- (c) The above requirement can be met by using a standard request form.
- (d) Email is also an acceptable means of collecting signatures.
- (e) The "Document of Reasons for Non-Approval" will be issued when approval is denied, along with a current list of registered Owners and their basic contact information.

13.5. Approval of designs.

Planning, design and construction of all development within any individual lot Property Engineer Villas del Centenario Property, must be carried out in accordance with the Design Guidelines. Unless plans and specifications for any project within Villas del Centenario Property are approved by the Design Review Committee; No improvements of any kind may be made without prior authorization from the Board of Directors in accordance with the terms of this document. The Administrator is empowered to suspend any construction not authorized in writing by the Design Review Committee.

CHAPTER VIII

ADMINISTRATION

ARTICLE 14. - OF THE SUPREME ORGAN.

14.1. The General Assembly or Assembly of Owners is the supreme authority of the Association of Neighbors of Villas del Centenario AC

14.2. The Owners' Assemblies must be held once a year on the last Saturday in January, and must review the following matters:

(a) Approval of the operating budget of the Asociación de Vecinos Villas del Centenario AC, including the contributions proposed for each year, drawn up and presented by the Administrator and reviewed by the Board of Directors.

(b) Review and approve, as necessary, the financial statements of the Asociación de Vecinos Villas del Centenario AC, as well as any other financial information related to the budget of income and expenses of the previous year presented by the Administrator.

(c) Review, and approve as necessary, the report of the Oversight Committee regarding the performance of the Administrator.

(d) Appoint and remove the Administrator and members of the Supervisory Committee as necessary.

(e) Determine the counter provision to be paid to the Administrator as well as the terms under which it will provide its services.

(f) Make decisions regarding any proposed modification of these Bylaws.

(g) Make decisions on any other matter that, in accordance with the Applicable Provisions, must be approved by a vote of the Homeowners Assembly to be considered valid.

(h) The others established by the bylaws.

ARTICLE 15. – BOARD OF DIRECTORS.

15.1. The **Board of Directors** will be made up of at least (3) people, and they must be elected by majority vote in the first Assembly of Owners of the year.

15.2. Each member of the **Board of Directors** must be:

(a) A Property Owner who has acquired the quality of owner in the Asociación de Vecinos Villas del Centenario AC prior to the date of the election, with the exception of the founding members who must be designated by the Declarant.

(b) Must be current in the payment of all contributions determined by the Administrator and the Assembly of Owners.

(c) Must be at least eighteen (18) years of age.

15.3. Each member of the **Board of Directors** will remain in office for a period of one year from the date of election, and may be re-elected for a second term. Members may remain in their charge until their successors are appointed and take office.

15.4. Obligations and powers of the Board of Directors.

The **Board of Directors** will have the following functions and powers:

- (a) Verify that the Administrator complies with all the resolutions adopted by the Homeowners Assembly.
- (b) Verify that the Administrator complies with its obligations in accordance with these Bylaws.
- (c) Verify that the reserve fund is at all times at adequate levels and properly invested to ensure that the expenses that Asociación de Vecinos Villas del Centenario AC, are covered when necessary.
- (d) Inform the Assembly of Owners of their observations regarding the Administration of the Asociación de Vecinos Villas del Centenario AC
- (e) Inform the Assembly of Owners of any breach of the Applicable Provisions and / or any breach of these Bylaws by any Owner.
- (f) Assist the Administrator, if requested, to notify the Property Owner of their obligations in case of default.
- (g) Draft and deliver a written report annually to the Assembly of Owners.

15.5. Remuneration of the members of the Board Directors.

The members of the Board of Directors may be remunerated if so determined by a majority of seventy-five percent (75%) of the votes of the Owners present at the General Assembly.

15.6. Removal of the members of the Board of Directors.

In the event of non-compliance with their obligations, the members of the Board of Directors may be removed, either collectively or separately. This agreement will be voted on at the Homeowners Assembly.

15.7. Obligations of the members of the Board of Directors.

The president of the **Board of Directors** will have the following obligations:

- (a) Preside over the meetings of the Committee with a casting vote.
- (b) Call meetings of the Committee at any time if it considers it necessary, to discuss the matters in question.

The secretary of the **Board of Directors** will have the following obligations:

- a) Write, certify and distribute the minutes of the Committee meetings, subsequently transcribing them to the book that will be kept for such purposes.
- b) Keep a record of the present and future Owners with the information provided by the Administrator.
- c) Act as secretary at committee meetings.

The treasurer of the **Board of Directors** will have the following obligations:

- (a) Review the operating budget of the Asociación de Vecinos Villas del Centenario AC and record actual expenses.
- (b) Review contributions from all Owners and highlight any unpaid contributions for the current fiscal year.
- (c) Notify the Board of Directors if there exists or may exist a budget deficit.

ARTICLE 16. - Obligations and Powers of the Administrator.

16.1. The first Administrator will be appointed by the Declarant and will remain in his charge on an annual basis, at the discretion of the Board of Directors. Subsequent Administrators will be appointed by the Board of Directors.

16.2. The Administrator can be removed from his position only by the Board of Directors.

16.3. The Administrator will be a natural person in full capacity and with knowledge in accounting practices, construction, or real estate development.

16.4. General Obligations of The administrator.

The Administrator will have the following obligations:

- (a) Enforce these Bylaws and Design Guidelines by appropriate means, as well as comply with the obligations inherent to the Administrator as stipulated in these Bylaws.
- (b) To operate, maintain, repair, and manage the following:
 - (1) Common areas and common goods, easements, properties, landscaping and other improvements within the Villas del Centenario Neighborhood Association of the Fraccionamiento Villas del Centenario.
 - (2) Any real estate on which the Fraccionamiento Villas del Centenario has any interest.
 - (3) Any real estate or asset that the Administrator is obliged to operate, manage, repair or maintain in accordance with these Bylaws.
- (c) Make the payment of any tax, as well as the contributions and other charges delegated to the Administrator.
- (d) Ensure that the services of water, gas, electricity, garbage collection, sewerage and other services required by the Common Areas and Common Assets are provided.
- (e) Act as administrative agent of the Fraccionamiento Villas del Centenario.
- (f) Appoint the members of the Design Review Committee with the approval of the Oversight Committee.
- (g) Contract insurance policies when required by the Assembly and these Bylaws, and keep them in force in accordance with these Bylaws.
- (h) Prepare financial statements for Asociación de Vecinos Villas del Centenario AC, and distribute the following documents to the owners:

- (1) A proposed operating budget for each fiscal year.
- (2) A cumulative budget of income and expenses.
- (3) A report of the amount of cash reserves available for replacement or repair of Common Areas or Common Assets, as well as for contingencies.
- (4) A detailed budget of the terms and methods of application of funds for repairs or replacements of Common Areas or Common Assets, which are the responsibility of the Administrator.
- (i) Prepare an annual report that must be distributed within a period of one hundred and twenty (120) calendar days following the close of the corresponding fiscal year; said report will include the following:
 - (1) The balance at the close of the fiscal year;
 - (2) Report of the operating budget for the following fiscal year and;
 - (3) A report of any change in the financial situation during the year in question. All the aforementioned reports must be written in accordance with generally accepted accounting principles, to be subject to an external audit when the Owners' Assembly so decides.
- (j) Provide services as Administrator in a professional and responsible manner and always protect the interests of the Asociación de Vecinos Villas del Centenario AC, of the Fraccionamiento Villas del Centenario.

16.5. Rules of operation.

The Administrator will have the authority to promote, modify or rescind the Operating Rules, with the authorization of the Board of Directors, that may be necessary to implement the routine administration of the Association of Neighbors Villas del Centenario AC, the Fraccionamiento Villas del Centenario and these Statutes. Such operating rules may include, but are not limited to, the following:

- (a) The specific limitations in reference to parking, storage, use and hours of operation of common areas and common facilities, the provision of services, security requirements, garbage collection and animal control.
- (b) The system of penalties and charges for breach of regulations and damage to Common Areas and Common Assets.
- (c) Specific measures to ensure that owners do not infringe or compromise the rights of other owners.

16.6. The Operating Rules must be produced in English and Spanish versions. The Operating Regulations may regulate any matter related to the duties of the Administrator, as long as they do not discriminate between Owners and coincide with these Bylaws. A copy of said Operating Rules, as well as their modifications, must be delivered to each Owner or Occupant affected by them, in the manner established in these Bylaws. The Operating Rules will have the same validity as if they were part of the Bylaws and will be mandatory for all owners and occupants whether they receive them or not. The operating rules, approved or modified, will be kept in the offices of the Administrator and will be available at the request of any owner or occupant. In the event that any controversy arises between any operating rule and any other requirement contained in these Bylaws, the Bylaws shall prevail.

16.7. General powers of Administrator.

The Administrator will have the following powers:

- (a) General powers of attorney for lawsuits and collections; Being empowered to appear before any judicial authority, the administrative, civil, criminal or labor authority, whether local or federal, with all the general powers and the special powers that require a special clause, without any type of limitations in the terms of Article 2554 of the Civil Code of the Federal District in common matters and for the Mexican Republic in federal matters and the correlative of the Civil Code of the State of Baja California Sur, with the specific authority required by the special clause in accordance with the law. The Administrator will have the necessary powers to promote amparo proceedings and to abstain voluntarily as well as the promotion of lawsuits and complaints, becoming a third party in the Public Ministry, as well as all kinds of powers in relation to criminal matters.
- (b) Power of attorney for administration costs; granted with sufficient authority to administer the real estate and businesses of the Asociación de Vecinos Villas del Centenario del Fraccionamiento Villas del Centenario with all the general powers and those special powers that require a special clause in accordance with the Law without limitations in the terms of article 2554 of the Code Civil of the Federal District in common matters and for the Mexican Republic in federal matters and correlative of the Civil Code of the State of Baja California Sur.
- (c) The Administrator is responsible for the maintenance of all areas, facilities, equipment, services and aesthetic elements of any kind, as necessary.

CHAPTER IX

MAINTENANCE AND REPAIRS

ARTICLE 17. - MAINTENANCE AND GENERAL REPAIRS.

17.1. Exterior maintenance guide.

Maintenance and repair of all exterior areas of the Fraccionamiento Villas del Centenario must be carried out in accordance with the Design Guidelines.

17.2. Maintenance obligations.

The Declarant, its contractors, subcontractors, agents or employees, will have the right to enter any area of the Fraccionamiento Villas del Centenario, with the purpose of carrying out the construction or maintenance of any improvement installed within the Common Areas and Common Assets in accordance with the these Statutes. In the event of obtaining a surplus, through fees, for Improvements or related purposes, said surplus will be reserved to offset future maintenance expenses of the Villas del Centenario subdivision.

ARTICLE 18. - REPAIR AND MAINTENANCE BY THE ADMINISTRATOR.

18.1. The Administrator must comply with the following obligations in areas that are the responsibility of the Asociación de Vecinos Villas del Centenario AC,:

On a continuous basis, maintain in good condition and repair all the improvements that are part of the Common Areas and Common Assets of the Villas del Centenario Fraccionamiento, including but not limited to: streets, driveways, landscaping, open spaces, gates, doors, walls, public services, mechanical equipment, lighting, exterior signage and the interior and exterior of any building belonging to the Asociación de Vecinos Villas del Centenario AC

CHAPTER X

OF THE GUARANTEES FOR IMPROVEMENTS

ARTICLE 19. - INSURANCE.

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

- (a) Commercial Insurance Policy against damages to third parties, which will cover the Administrator, the Declarant and their agents and employees, as well as the Owners and their respective families and guests, against the liability related to the property or use of Common, Areas and common goods from the Villas del Centenario AC Neighborhood Association, from the Fraccionamiento Villas del Centenario, including, if reasonably possible, a third party damage policy that covers the liability of the insured against third parties. The limits and sub-limits of said insurance may not be less than the amounts that the Board of Directors determines as reasonable and commercially adequate, considering the coverage obtained and maintained in comparison with the insurance of other properties similar in size,
- (b) A Master Fire Insurance Policy for an amount determined by the Homeowners Assembly for the replacement of Common Areas and Common Assets of the Villas del Centenario AC Neighborhood Association, of the Villas del Centenario Fraccionamiento, including improvements, furniture, accessories and equipment, located within said areas and used collectively by the Asociación de Vecinos Villas del Centenario AC Said policy will include full coverage and, if possible, replacement costs, as well as coverage against vandalism and intentional acts such as special format condition clauses and amounts specific. Said amounts are determined periodically by the Board of Directors and the beneficiaries will be the Administrator, The Owners and the Declarant as long as he continues to be the Owner of any part of the Asociación de Vecinos Villas del Centenario AC, of the Fraccionamiento Villas del Centenario, and all the mortgage creditors in accordance with their respective interests. Likewise, a claim payment clause must be included in favor of the Trustee in such case.

19.2. Resignation of the owners.

All insurance obtained by the Board of Directors must be kept in force by said Administrator for his own benefit, as well as the Owners and, where appropriate, the mortgage creditors according to their interests. As long as each of the policies is not canceled, the Owners waive and release the Administrator as well as the other Owners, the Declarant, his agents and his employees, from all responsibility regarding any applicable provision in said insurance policy, whether caused or not due to negligence or default on the part of such individuals in reference to any agreement contained herein.

19.3. Payment of policies and agreements.

The Administrator, in the event of claims for which the policies were contracted, must allocate the recovery of the compensation payment for the purposes for which the policy in question was obtained.

ARTICLE 20. - DESTRUCTION OF ASSETS.

20.1. Automatic reconstruction.

Unless the Assembly of Owners indicates otherwise, the Administrator will proceed to restore damaged or destroyed portions of Common Areas or Commons of the Asociación de Vecinos Villas del Centenario AC, of the Fraccionamiento Villas del Centenario as soon as possible. All rebuilds must be carried out in accordance with the Design Guidelines. The Administrator or its agents are authorized to execute contracts if necessary in order to carry out necessary repairs and reconstructions.

20.2. Contributions to Reconstruction.

In the event that the amounts of insurance funds available for restorations and repairs are not sufficient to cover the costs of restoration and repair of damaged Common Areas and Common Assets, the Board of Directors must implement an Extraordinary Contribution for reconstruction and will be subject to to the approval of the Assembly of Owners in order to obtain the necessary funds for said reconstruction.

20.3. Excess insurance funds.

In the event that there are surplus insurance funds after the restructuring in question is carried out by the Administrator, in accordance with this article, the Administrator must retain said amounts in the reserve fund.

CHAPTER XI

GENERAL REQUIREMENTS

ARTICLE 21. - GENERAL REQUIREMENTS.

21.1. Compliance.

In accordance with these Bylaws, the Administrator or any other Owner shall have the right to enforce any provision of these Bylaws through legal procedures, including the right to prevent the violation of any provision of this document, and the right to recover damages or any another amount for said violation. The Administrator and the Design Review Committee shall have the right to enforce the Design Guidelines and any resolutions adopted by the Design Review Committee with respect to their respective directives. The Administrator, acting as such, will have the right to legally collect any contribution referred to in article 11 of these regulations.

21.2. Divisibility.

The nullity or revocation of any part of this Regulation by court order or sentence will not affect in any way the remaining provisions that will remain in force. Likewise, the resignation by the Administrator, the Design Review Committee or the Assembly of Owners, of any part of the Design Guidelines or the Operating Rules, will not affect any of the other provisions that must remain in force.

21.3. Legal fees.

If any type of legal action is carried out to enforce this Statute, the winning party in said action will have the right to collect from the opposing party the legal fees and costs of the lawsuit as part of the verdict.

21.4. Notifications.

All notifications required in accordance with these Bylaws will be made in writing; Such notifications will be considered received, if delivered in person, or two weeks after being sent by prepaid mail addressed to the most recent address registered with the Administrator. In the case of e-mail, the term will be one week.

21.5. Responsibility of the executives.

Up to the maximum allowed by the Applicable Provisions, the Administrator, the Declarant, the Design Review Committee and the Oversight Committee will not be liable to the Owners or Administrators for damages, laws or damages suffered or claimed in relation to any decision. , approval or disapproval of plans or specifications (imperfect or not), actions, acts, omissions, errors, negligence or others, carried out in good faith and that said director or persons consider reasonable as part of their duties.

21.6. Amendments.

Unless these Bylaws expressly establish otherwise, these Regulations may only be modified by a majority of seventy-five percent (75%) of the votes of the Owners present at the Owners' Meeting as established in Article 14 of this regulation.

21.7. Jurisdiction.

For everything related to the fulfillment of obligations and the exercise of the rights contained in this instrument, the parties expressly submit to the jurisdiction of the competent Courts of the City of La Paz, BCS; thereby renouncing any other Jurisdiction to which they are entitled by reason of their present or future domicile or for any other reason. In the event of any discrepancy between the majority owner and the other Homeowners, said discrepancy will be subject to the consideration of the competent Courts of the City of La Paz, BCS, or to the arbitration procedure established by the Civil Procedure Code of BCS, Mexico. .

CHAPTER XII

Exceptions

ARTICLE 22. - EXCEPTIONS TO THE BYLAWS.

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

- (a)** Any act carried out or proposed to be carried out within the Asociación de Vecinos Villas del Centenario AC, the Fraccionamiento Villas del Centenario, any government authority or by the agents and employees of any government authority acting under the authority parameters of agents and employees.
- (b)** Any act carried out or that is proposed to be carried out within the Asociación de Vecinos Villas del Centenario AC, the Fraccionamiento Villas del Centenario, or any condition included within, by companies or public services, including but not limited to: electricity companies, gas services, water and / or sewerage to all or part of the Asociación de Vecinos Villas del Centenario del Fraccionamiento AC
- (c)** Any act carried out or that is proposed to be carried out within the Asociación de Vecinos Villas del Centenario AC, the Fraccionamiento Villas del Centenario, or any condition included within, by the Declarant or his successors, assignees, agents, employees or contractors, during the planning of the Association de Vecinos Villas del Centenario AC, which is required for any new improvement provided that said proposals or conditions created within the Fraccionamiento Villas del Centenario do not restrict the Owners in an unreasonable way with respect to the use and enjoyment of the areas of the Fraccionamiento Villas del Centenario o Housing Units in accordance with these Statutes; with the understanding that said act or condition does not continue after the completion of said construction;
- (d)** Any act carried out or proposed to be carried out within of the Fraccionamiento Villas del Centenario or any construction created in it, by any person under judicial order, or by order of any public official (acting in this capacity) or any public office, with the condition that the orders referred to in this paragraph are exclusively those originated for actions initiated by public officials acting as such, or public officials that require compliance with mandatory requirements, including sanctions in case of non-compliance, and not orders originated at the request of an individual, whether incidentally or not.

BY SIGNING THIS AGREEMENT, THE BUYER AGREES TO JOIN THE CIVIL ASSOCIATION, ASOCIACIÓN DE VECINOS VILLAS DEL CENTENARIO, AND AGREES TO COMPLY WITH THESE STATUTES.

BUYER NAME: _____ SIGNATURE: _____

BUYER NAME: _____ SIGNATURE: _____

BOARD OF DIRECTORS PRESIDENT NAME: _____

BOARD OF DIRECTORS PRESIDENT SIGNATURE: _____

Date: _____

WITNESS:

FIRM: _____