

**INTERNAL REGULATIONS FOR LOT OWNERS OF LOTS WITHIN THE PROPERTY OF
D.A. DESARROLLOS DEL ARENAL**

Title I
GENERAL PROVISIONS

ARTICLE 1. DESCRIPTION

All lot owners within the development of the rest of the corporation's property at *D.A Desarrollos del Arenal*, corporate identity number 3-101-109516, owner of the areas for common use, located in Aguacate de Arenal, Tilarán Municipality, on route 142, 1.0 km towards Arenal from the bridge over Río Aguacate.

ARTICLE 2. LOT OWNER'S REPRESENTATION

The Board of Directors of the owner of the common areas will appoint an EXECUTIVE COMMITTEE, made up of representatives of the lot owners, to coordinate, administer and execute with regards to the collection of quotas and to provide for maintenance of the common areas.

ARTICLE 2. COMPLIANCE

The objective of these Regulations is to guarantee peaceful, orderly and respectful communal living among the residents, to enjoy their properties and the common areas, as well as to establish construction rules and those for the siting of the housing units, to respect the view and harmony of the location.

TITLE II
ON THE OWNERS, RIGHTS AND OBLIGATIONS

ARTICLE 3. RIGHTS OF ORDINARY OWNERS

The ordinary owners and their guests may use and enjoy the common areas in an individual or shared manner.

These may not be used for purposes contrary to morals or good customs, nor may they be used in benefit of other objectives that are not recreationally oriented. Guests may use common areas, but the guests' behavior will be responsibility of the owners.

3.1 RIGHTS OF FAMILY MEMBERS – FRIENDS

They will enjoy the same rights and will be subject to the same limitations.

3.2 USAGE RIGHTS

No owner may be limited in his or her rational and adequate use and enjoyment of the common facilities, nor may he/she allege any advantage or greater rights to the enjoyment thereof, due to his/her share participation in the firm.

3.3 RESPECT FOR THE BASIC NORMS OF COMMUNAL LIVING:

It is imperative for all owners in the development to respect the basic norms for communal living, that constitute the legal framework for channeling initiatives favoring communal living, mutual respect, tolerance and the effective exercise of rights and obligations.

These norms are of obligatory compliance for all owner residents and in all types of activities, and the members of the community shall oversee of their faithful observance.

The foundation of these norms is based on the human values of respect for other persons, places and things and of responsibility, understood as the personal response of how one behaves, which is imposed unambiguously by being polite, respectful and accepting to all others without any discrimination whatsoever.

ARTICLE 4. OBLIGATIONS OF THE ORDINARY OWNERS

The obligations of the ordinary owners are:

4.1 PAYMENT OF THE FEES

Defray the expenditures for administration, conservation and operation of the common areas, services and assets, by means of the payment of an annual fee of US\$ 300.00 (Three hundred U.S. dollars), according to the budget approved by the EXECUTIVE COMMITTEE of the residents), after the annual budget is approved and in the manner that said Committee determines, which will be paid in advance, within the first three months of each year.

4.2 PAYMENT OF EXTRAORDINARY QUOTAS

Defray proportionally according to number of shares, the expenditures caused by the expansion, construction or improvements in the common areas, or for the acquisition of common assets and equipment, when these are acquired pursuant to the requirements of the common areas.

4.3 MAINTENANCE OF THE HOUSING UNIT

Maintain each housing unit and/or those lots for future constructions in good repair.

4.4 SALE

Communicate that the lot or the owner company is being sold to a third party, to include in the Deed of Purchase and Sale the commitment acquired upon purchase to accept the lot owner's regulations.

4.5 CHANGE OF DOMICILE

Communicate if there is a change of domicile, telephone number or e-mail, so that it can be recorded in the Lot Owner Registry.

4.6 ASSEMBLY ATTENDANCE

Attend the Assemblies convened by the EXECUTIVE COMMITTEE, or in lieu thereof, appoint a representative for them.

4.7 WAIVER OF COMMON FACILITIES

The express or tacit waiver of the use and enjoyment of the common areas or facilities or the abandonment of the exclusive use of the housing unit does not relieve the ordinary owner from the obligations herein stipulated.

ARTICLE 5. OBLIGATIONS OF ALL LOT OWNERS

The following are obligations of all lot owners:

5.1 KNOW AND OBSERVE THE LOT OWNERS' REGULATIONS

Know and observe the Regulations as well as respect and comply with the decisions and resolutions of the EXECUTIVE COMMITTEE.

5.2 PAY MEMBERSHIP FEES

Pay the membership fee according to a previously approved budget.

5.3 CONTRIBUTE TO ORDER IN THE COMMUNITY

Contribute to order in the community and maintain an adequate behavior.

ARTICLE 6. LIABILITY FOR GUESTS

The owners will be liable for the acts and behavior of their guests.

TITLE III
ON THE PRIVATE AND COMMON AREAS

ARTICLE 7. DEFINITION OF THE AREAS

7.1 PRIVATE AREAS

By "Private Areas", it is understood to include only the individual lot.

7.2 COMMON AREAS

By "Common Areas", it is understood to include the rest of the property, access roads, reforested areas and gardens, recreational and service facilities, equipment and accessories in general, service contracts and easements.

ARTICLE 8. PROHIBITIONS

8.1 Operation of the common services

Any act inside the property that hinders or makes the operation of the common services and general facilities less effective is prohibited.

8.2 Pets in the Common Areas

Animals and/or pets may not wander freely in the common areas nor on the properties of the other residents. The owner or person responsible for the animal will be liable for the physical damage caused to the other person or the facilities.

ARTICLE 9. COMMON AREAS AT THE ENDS OF THE STREETS

The use of the Common Areas at the ends of the streets as parking areas is prohibited.

TITLE IV
ON THE COMMON EXPENSES

ARTICLE 10. DEFINITION OF COMMON EXPENSES

Common Expenses are:

10.1 ADMINISTRATION, MAINTENANCE AND COMMON SERVICES

Those caused by the administration of the EXECUTIVE COMMITTEE, maintenance and cleanliness of the common areas, services and facilities.

10.2 COMMON AREA SERVICES

Those caused by cleaning services for sewers, greensward, gutters, main access gate and other general services for common areas.

10.3 MAINTENANCE

The expenses caused by maintenance and conservation of common areas, services and equipment.

10.4 REPAIRS

The cost of repairs and improvements to common property duly authorized by the EXECUTIVE COMMITTEE.

10.5 EXECUTIVE COMMITTEE EXPENSES

The expenses made by the EXECUTIVE COMMITTEE while carrying out their attributions.

10.6 CONSTRUCTION COSTS

The cost of construction or acquisition of new common assets, when the EXECUTIVE COMMITTEE has so resolved.

10.7 SERVICE AND EASEMENT CONTRACTS

The cost and maintenance of service contracts and easements.

ARTICLE 11. ON SANCTIONS

If an owner were to transgress the prohibitions and limitations or not comply with the obligations contained in the Regulations, he/she will be sanctioned according to the determination of the EXECUTIVE COMMITTEE.

ARTICLE 12. FEE COLLECTION.

It is the lot owners' responsibility to deposit the maintenance quota according to the previously established amount in either of the following Bank accounts:

Banco Nacional de Costa Rica:

Banco de Costa Rica:

The EXECUTIVE COMMITTEE will send an advisory notice confirming receipt of the payment made to the registered address.

TITLE V **ON THE ADMINISTRATION**

ARTICLE 13. EXECUTIVE COMMITTEE

The EXECUTIVE COMMITTEE is the organ in charge of administering maintenance tasks in the common areas and other matters of interest for the lot owners.

13.1 BUDGET AND REPORTS

To approve the annual expenditure budget and indicate the quota required from the lot owners to cover maintenance expenses, as well as the report of expenses effected.

13.2 OTHER MATTERS

Other matters determined by a majority of the lot owners.

13.3 TREES AND BUSHES

Trees and bushes may be trimmed when they block the view of the lake from the houses. The EXECUTIVE COMMITTEE must give its approval or not for planting trees and bushes. No one may plant trees and bushes if the EXECUTIVE COMMITTEE has not given its approval for planting. In the event that a planting is carried out without their approval, the Administrator is empowered to immediately remove or relocate these plantings.

CONSTRUCTION REGULATIONS

1 GENERAL PROVISIONS

The lot owners, as participants in a private development, have certain reciprocal obligations that must comply with predetermined regulations for construction in order to maintain the status and architectonic and urbanistic characteristics of the Project as a whole.

Therefore, these Regulations specify certain factors that are important for these effects, and the lot owners that desire to construct their residences must comply with all of the requirements expressed herein, as well as any other requirement that may be necessary in specific cases, and/or may be resolved later.

2 PROCESSES FOR CONSTRUCTION PERMITS

Prior to presenting plans for their approval by INVU, the Tilarán Municipality, the College of Engineers and Architects, etc.; owners must submit their pre-project to the EXECUTIVE COMMITTEE, which has the power to suggest changes in order to maintain an harmonious Project.

3 LAND USAGE

The lot owners may only use their land to construct exclusively for housing, as dictated by the Municipality of Tilarán.

They must be sited in the specified areas to avoid blocking the view towards the lake of the other owners.

4 DEFINITION OF AREAS

To this end, Private Area will be understood to be the total area of the lot, defined in the cadastral plot and the established compass directions. Common Area is understood to include all those facilities for common use, such as easements, accesses, parking areas, recreational areas, streets, etc.

5 FRONT YARDS AND SET-BACK AREAS

All constructions must have a front yard, which will have a minimum set-back of 5 meters (16.4 feet) from the property limit at the street. The lateral set-backs must also have a minimum of 5 meters.

6 CONSTRUCTION SUPERVISION

All residences that are to be built must be planned by a professional architecture or engineering firm registered with the Federated College of Engineers and Architects, as well as complying with all of the processes and permits established by the Tilarán Municipality and other involved entities.

7 MAXIMUM BUILT-UP AREAS

No building may have a coverage greater than 15% of the total lot surface area, as stipulated by the Tilarán Municipality Regulatory Plan.

8 CONSTRUCTION HEIGHT

Residences may only be built to a maximum of two stories, with a maximum height of seven meters (22.97 feet), including roof height. The height must be measured taking as reference point the level of the street in front of the lot base and not the level of the grade on the lot.

9 EXTERNAL BARS

Installation of external bars on the windows will not be allowed. However, if the owners so desire, they may install them internally.

10 TRASH CANS

Trash cans must be located within the structure of property, at an accessible point that is not visible from the street.

11 COLORS OF THE FAÇADES

The colors of the exterior façades must be in low-density pastels.

12 FENCES AND WALLS ON BOUNDARIES

No fences, enclosures, screens or walls or any other element may be built on the boundaries between lots. Only ornamental divisions with live hedges to a maximum height of 1.80 meters (5.9 feet) will be allowed, to allow all inhabitants an ample view of the panorama of the development and to accentuate the concept. A minimum distance of 5 meters must be left between the lateral boundary and the construction.

13 EXTERIOR LIGHTING

Owners must install an exterior lamp on their lot according to the prototype design approved by the EXECUTIVE COMMITTEE.

14 THE MAINTENANCE FEE DOES NOT INCLUDE LOT MAINTENANCE

Even while there is no construction, the owners must pay the common maintenance fee that is set, in order to defray the costs of maintaining the property in normal conditions of use, cleanliness and beautification, as well as the common areas.

15 CLOTHES LINES

All residences must have an enclosed place destined to drying clothes. No clothing may be hung on walls, fences, railings and/or balconies.

16 PARKING ABANDONED VEHICLES

There is a strict prohibition on parking vehicles, carts, trailers, motor homes, boats, motorcycles, bicycles or other similar items as abandoned vehicles, which subtract from the beauty of the project in private or common areas.

17 PROHIBITION ON INSTALLING CAMPING TENTS OR SIMILAR

Camping tents, trailers and/or motor homes may be installed on the lots on a temporary basis for a maximum of 2 months. The sole way to inhabit a lot is by means of the construction of a house pursuant to the provisions of these Regulations.

18 PLANTING TREES AND BUSHES

Planting trees and bushes must contemplate not blocking the neighbors' view. The administration will have absolute power to effect the necessary trimming to allow visibility from the houses towards

the lake. All plantings of trees and/or bushes carried out must have the prior approval of the EXECUTIVE COMMITTEE.

19 CONSTRUCTION COMMISSION

Prior to commencing any pre-project, the interested party must meet with the Construction Commission of the EXECUTIVE COMMITTEE, to explain the pre-project that they wish to build, to ensure that when the pre-project is submitted, all of the regulations have been observed, in order to preserve the field of view for the units that are behind or around the new construction. The EXECUTIVE COMMITTEE will have a fifteen working-day term to meet with the interested party. In the event that the Commission does not meet with the interested party, due to causes attributable to the Commission, once that term is up, the interested party may have recourse to the EXECUTIVE COMMITTEE, where he/she will present their pre-project.