

PROPOSED RULES, REGULATIONS FINES AND PENALTIES OF THE OCEANA DE ROSARITO OCDM HOMEOWNERS ASSOCIATION A.C.

Under the authority granted within the Mexican Civil Code, the Condominium Law of Baja California, the Regalements of Oceana de Rosarito OCDM and the Bylaws of Oceana De Rosarito, the Board of Directors hereby exercises its authority to create the following Rules, Regulations, Fines and Penalties.

The following Rules, Regulations, Fines and Penalties shall apply to all unit owners of the Association, guests of unit owners of the Association, renters of unit owners of the Association and all entrants upon the property of the Civil Association, whether or not in the presence of the unit owner WITHOUT REGARD TO NATIONALITY, RACE, COLOR, CREED, and SEX OR RELIGION.

ENFORCEMENT OF DUES PAYMENTS

The following chapter applies to all contributions, fees and assessments that include but are not limited to:

1. Trust Fees;
2. Property Tax Fees;
3. Reserve Fund Fees;
4. Maintenance Fees.
5. Special Assessments.

Each month of unpaid dues following the first Ten (10) days after payment of the month's dues in question became due and payable, there will be an additional charge of interest at the rate of 1.5% monthly compounded

RESOLVED FURTHER, that the Board of Directors, the Administrator, the President, the Treasurer is hereby granted a Special Power of Attorney to file all relevant and related legal proceedings to seek the full payment of dues, interest and penalties.

Any unit owner who has failed pay dues for ten (10) days from the date when legally due and payable in accordance with the Condominium Law of Baja California and the Bylaws, on the first day of the month whether or not billed, shall be charged a penalty in an amount Equal to ten percent (10%) of the dues unpaid for the month in question.

The unit owner shall also be required to pay the full cost of all legal fees expended in any manner whatsoever upon an attempt to collect such dues, interest or penalties that are in arrears including, but not limited to, telephone calls, the writing of letters, transportation, attorney fees, court costs, and any other costs reasonably related to the Association's enforcement of this policy.

The Board of Directors hereby grants to the Administrator and to the President a Special Power of Attorney to individually restrict a unit owner, occupants of the unit owner, guests of the unit owner, or renters of the unit owner from the use of common area facilities other than those facilities that are reasonably related to gaining access and egress to parking and/or the use of the individual unit owner's unit.

In accordance with the Bylaws, any such unit owner in arrears in the payment of dues shall not be permitted to vote at any meeting presented before the Assembly whether during an Assembly meeting or under an "Action Without a Meeting" under the Bylaws. No further notice to such a non-dues-paying owner shall be required.

The Administrator and/or President is hereby authorized and permitted to post the names and unit numbers of non-dues-paying unit owners in a public place.

In the event of "special circumstances" that would give rise to a "justifiable excuse" for the late payment of dues by any unit owner, the Board of Directors, President or Administrator are authorized to waive either in its entirety or in partial measure the interest, penalties, sanctions or other related costs specified above if, in their discretion, fairness and equity would justify the waiver and non-enforcement of this provision. Such justifications could include, but are not limited to, sufficient belief that the non-dues-paying member did not receive the billing in question, illness, family emergency, temporary economic hardship, etc.

The Board of Directors, President or Administrator is authorized to make such "compromise" as, in their discretion, is deemed appropriate given the unique circumstances that may exist and may justify the equitable waiver of the above interest, penalties, sanctions, public notices, restriction from public area use and cost of enforcement.

SWIMMING POOL REGULATIONS

1. Children under the age of ten (10) shall not be permitted to enter the pool in the absence of the presence of an adult to supervise that child.
2. There shall be no less than one (1) adult who is strictly responsible for the supervision of a maximum of four (4) children.
- 3 No horseplay or other dangerous activities are permitted.
4. No flotation devices (e.g., boogie boards, or surf boards) are permitted other than those generally used by adults for flotation and sunbathing.
- 5 No running, splashing, pushing, shoving or throwing of objects in or around the immediate pool or Jacuzzi areas is permitted.
6. No glass or breakable objects are permitted in or around the pool or Jacuzzis areas.
7. No food or drink are allowed in the pool or Jacuzzis
- 8 No excessively loud music, screaming, noise or other irritating game or activity that unreasonably interferes with the use and enjoyment of others shall be permitted in the pool or Jacuzzis areas.
- 9 All individuals leaving the pool or Jacuzzis areas to enter the building shall not track or drip water inside the building. Footwear and towels must be worn when entering the building.
10. Any individual who is admonished twice by a guard or who is reported in writing by a homeowner or authorized occupant to have disturbed the peaceful and quiet enjoyment of their premises shall be subjected to a hearing by the Board of Directors for a violation that shall automatically be fined.
11. All children and adults, whether they are owners, guests of owners, children of owners or renters, shall obey the guards and treat them with respect (whether they believe the guard to be correct or incorrect). Guards are requested to communicate directly with the individual whose behavior is questionable. However, if a parent or adult in supervision is available, that individual shall politely identify him or herself and render the guard full and complete respect and cooperation. (Of course, Rules and Regulations for Guards will require that all guards treat every person legally permitted upon the premises, without regard to the their status as unit owner, child, grandchild, guest, short-term or long-term renter with equal respect and dignity without regard to nationality, race, color, creed, religion or sex.) Abusive speech, threats or behavior toward guards, however, shall be deemed a "significant violation of the rules.

CHILDREN'S POOL

All children under 10 years must be accompanied by an adult.

ADULT ,JACUZZI

No one under the age of 16 is allowed in or around the adult Jacuzzi. Hot water immersion may be dangerous to those with medical conditions or under the influence of alcohol, narcotics, or medicines.

As long exposure may lead to dizziness, nausea or fainting, care must be used in Jacuzzi use.

CLUBHOUSE

The Clubhouse/Recreational Room is generally available for use of owners. It is possible to obtain exclusive use of the clubhouse by reserving it in advance through the association office. Long term renters will be permitted to use the clubhouse in which case they will be required to post a \$ 50.00 deposit to pay for possible breakage, plus cleaning up after use. If there is no breakage, \$25 will be refunded ,the other \$25 is used to pay the Association for power, water, sewer and for cleaning up. The Clubhouse/ Recreational Room is not permitted to be reserved on days that the Board of Directors have scheduled meetings or activities. Homeowners only may have a meeting or party without posting a deposit as long as one homeowner assumes responsibility for cleanup afterwards. An official notice permitting the limited reservation shall be posted on the tower bulletin boards no less than four (4) hours prior to the event.

No "commercial or semi-commercial activities" (e.g., community club meetings) shall be permitted. An exception to this provision would be an event sponsored, permitted and sanctioned by the Association by vote of the duly elected Board of Directors. Such approval must be sought no less than thirty-five (35) days in advance of the event.

ELEVATORS

No "horseplay" of any kind shall be permitted within the elevator. Pushing buttons for all floors, defacing, removal of notices, or other destructive activity shall be deemed a "significant" (see below) violation.

ATTACHMENTS TO THE EXTERIOR OF THE BUILDINGS

No attachments (such as satellite dishes) may be attached to the building without the prior approval of the Manager. A competent technician must perform the installation of any exterior equipment. All installations must be approved by the Maintenance Manager, upon completion, to assure that:

- There is no damage to the building,
- It does not alter the appearance of the building,
- It is secure and will not detach due to high winds.

The necessary installation application and approval form are available at the office.

BALCONIES

Absolutely no objects shall be permitted to hang over balcony rails (e.g., the drying of towels, bathing suits, etc.). Likewise, balconies shall not be used as a storage area for items of personal property. An exception to this rule would be an item that is difficult, if not impossible, to see from other units and no other unit owner files a signed, written complaint regarding the storage or existence of such an item.

Dripping of any material on balconies below is strictly prohibited.

Do not use your balcony as a storage area. Outdoor furniture, planter boxes, and other suitable ornamentation will be permitted. Bicycles or similar equipment must be stored elsewhere.

Do not barbecue on the balcony. It's dangerous for the people below and the smoke and odors are obnoxious to those around you. Use the barbecue equipment at the clubhouse or on the beach.

Do not throw anything from your balcony; It's dangerous to those below you.

WINDOWS AND DOORS

No changes of size, style, location, color or screen doors will be allowed. No signs or display will be allowed without the consent of the Board of Directors. Fines will be levied on homeowners breaking this rule with a minimum of \$100.00 dollars a day from the time of notice to time of removal.

PETS

All dogs must be kept on a leash while within the complex grounds.

Pick up after your dog. You are subject to a fine for not doing so. Dog feces are unsightly, damage the foliage and are a health hazard. Your association employees are not hired to clean up after you or your pet.

SMOKING

Cigarette, pipe or cigar smoking, is not permitted in the office or in the halls or elevators.

GARBAGE

All garbage shall be deposited in the containers in front of each tower unless the object is potentially too large. The garbage shall be contained in plastic bags and suitably tied. No raw garbage is to be disposed of unless suitably bagged. Any object that is too large to fit in the container must be taken to the parking lot garbage area for disposal.

PARKING

1. -Residents are entitled to park in any space except the two parking garages where spaces are owned by certain homeowners with the exception of markings in red that are reserved for emergency vehicles.
2. -Parking in any manner as to restrict the flow of traffic is prohibited. Illegally or improperly parked vehicles will be subject to towing at owner's expense.
3. -Parking spaces shall be for parking of automobiles only. The storage of inoperable vehicles is prohibited (i.e. vehicle not being driven, lacks current registration, or has obvious physical damage.) Storage of boxes, furniture, appliances, vehicle parts or objects of any kind is not allowed in parking facilities.
4. -There shall be NO bodywork or engine removal, etc. permitted. The use of gasoline or other flammable substances is prohibited. Each owner/tenant shall have the right to conduct simple automobile servicing of his personal vehicles as long as the carrying on of this activity does not disturb or annoy other residents. The premises are to be kept clean.
5. -No trailer, camper, motor home, motorcycles, truck (other than standard pick-up truck), inoperable automobile, unlicensed vehicle, van, boat, or similar equipment, shall be kept stored on the property. All commercial vehicles are limited to a wheelbase not to exceed 156 inches, and overall length not to exceed 250 inches, an overall height not to exceed eight and one half feet allowed in the open parking spaces, and the gross vehicle weight is not to exceed 10,000 pounds. If there is any violation of this rule, the offending vehicle will be towed at owner's expense.
6. -Long term parking by owners who are away for an extended period of time is not allowed on the ground level. Long-term parking is only permitted on the second story. Your association cannot be responsible for the safety of

your car; so it is necessary that you sign a liability release form before storing your car. Please check with the administration office.

7. -There are no designated handicapped parking areas. The guards can assist any person who is handicapped in loading and unloading their vehicle.

EXCESSIVE NOISE

1. Noise, including (but not limited to) any kinds of music, TV, radio, parties, conversation, fireworks, or any other noise-producing activity that would foresee ably interfere with the reasonable quiet use and enjoyment of another unit owner is strictly prohibited. Example: No music shall be played with the unit's sliding glass doors open or on the unit balcony after 10:00 p.m.

2. No fireworks or rockets shall be discharged on or from any location within the development, including the fenced area in front of the development.

COMMON SENSE CONDUCT

if the quiet use and enjoyment of any authorized person upon the premises are interfered with by the conduct of another individual, the guards are authorized to issue citations and, if necessary, to call the police of Rosarito Beach to immediately subdue the conduct in question.

INDECENT ACTIVITIES

Unbecoming behavior that would be shocking to the reasonable person (e.g., nakedness, the loud use of profane language, abusive treatment of guards or individuals in authority, loud arguments, fighting, threats of physical violence, violence of any kind and by any means, excessive horseplay and activity that subject any portion of the common area premises to a serious risk of damage or defacement) is prohibited.

FIREWORKS

Under no circumstances are fireworks permitted in the buildings or within 100 meters of the complex boundaries or after 10:00 p.m. Fireworks are dangerous both to the user and to those nearby. They destroy the peace and tranquillity of the complex. Offenders will be fined.

OFFICE

The office is exclusively for homeowners' matters. No information will be provided to renters. Those homeowners who rent their units must make their renters aware that they are not to disturb anyone working in the office.

DAMAGE TO THE FACILITIES

Intentionally defacing or damaging shall be deemed a "very significant offense" and shall be penalized (substantially, but no less than five times the cost of the actual repair) over and above the actual cost of repair.

FINES

The schedule of fines is as follows:

Our Fining system will be enforced with the following procedure:

1. - All owners will be given one written violation warning to correct the violation within five days, unless there is a liability problem, whereupon, immediate correction is required.
2. - A second violation for the same infraction will result in a fine.
3. - Before a fine is levied, the owner will be given five more days to respond to the Board in writing, at a regularly scheduled meeting, or by written response to a request a hearing with the Board to appeal the charge and request that the fine be waived. If the Board receives no response within five (5) days of notification, a fine will be levied against the owner.
4. - The fine will be itemized in the monthly statement to the owner.
5. - Fines will be \$50.00 for all violations of adopted Rules and Regulations unless there is a major Disturbance of Peace, such as requires police assistance, or other as determined by the Board. In these situations the fine shall be an immediate \$100.00.
6. - Violations where actual damage or destruction is done to the common area property, the owner will also be fined the cost of repair or actual damages an all personnel or other associated costs.

RULES PERTAINING TO OCCUPANTS, GUESTS, RENTERS AND OTHER INDIVIDUALS LEGALLY ON THE PREMISES BUT NOT DIRECTLY UNDER THE SUPERVISION AND CONTROL OF THE OWNERS
Owners are directly responsible for all violations of rules of any person permitted to enter the property under their authority. All fines will be assessed against the owner, and it is solely the owner's responsibility to collect any reimbursement from the actual wrongdoer.

1. First-Time Minor Violations: When the Board regards the violation to be minor, a fine between \$50 to \$100 will be deemed appropriate.

Individuals violating the same rules twice, or individuals who violate more than one rule, will be deemed "significant violators."

2. Some of the rules listed above have already been determined by the Board to constitute "significant violations." The minimum fine for such violations will be \$100 over and above three times the actual cost to the Association. These fees may include legal fees; negotiations by attorneys regarding the hearing, sanctions, fines or penalties; legal cost of collection; and actual cost of repair of any damage to the Association that has any actual financial consequence whatsoever. This fine and these amounts determined to be owed to the Association may be in addition to the sanctions provided below.

3. Individual unit owners who have intimidated the employees of the Association or who have in a substantial way interfered with the operations of the Association by having engaged in criminal activity upon the Association property or having threatened the health, safety or welfare of employees or other persons legally present on the Association property, may be restricted from all common area usage (i.e., the pool area, the clubhouse, etc.) The only "common area" that such an individual will be permitted to use will be their legal parking space and such common area as is reasonably necessary for them to enter and exit their individual unit. They will be absolutely barred from the usage of all other common areas of the Association. Of course, this penalty will apply only to the most extraordinary kinds of wrongful activity.

4.: A unit owner will suffer the same consequences by allowing others who have entered upon the property under their authority to engage in activities contrary to following these Rules and Regulations. The only exception penalty will be that unit owners will never be denied access to their unit or the use of their parking space.

POLICY ON RENTAL AND NON-OWNER USE OF CONDOMINIUM UNITS

DEFINITIONS

Mexican law: Owners who rent their units are expected to comply with all Mexican laws and regulations pertaining to business operations, licenses, immigration status and taxes. The Association is not liable for any legal violations committed by individual owners.

Unit owners: Unit owners include individuals who have, under a contract of sale, taken legal possession of their unit.

Guests: The term "guests" as used in this policy are individuals who appear to have exclusive occupancy of a unit while the owner is not present.

Visitors: The term "visitors" refers to individuals who visit a unit while the owner is present,

Renters: The term "renters" are individuals who have the right to exclusive occupancy of a unit while the owner is not present; for which the individual has paid the owner compensation.

Agents: The term "agents" as used in this policy refers to individuals or companies that assist the owners in renting their units; for which they are usually paid a commission. Both owners and agents are not permitted to use the Oceana logo or name for rental advertising or for procuring renters.

Children/child: A child is defined as any person 12 years and younger.

Exceptions: These policies are intended to protect the individual rights of all unit owners. Exceptions to these policies are discouraged. In extreme cases, exceptions to any of the conditions of this policy may be made by the President or his/her representative; subject to the approval of the Board of Directors.

RULES AND REGULATIONS;

All renters and guests authorized to use an owner's unit when the owner is not present must sign an agreement that they will adhere to the established rules and regulations of the Homeowners' Association. This agreement shall

acknowledge the absolute right of the Association to fine or evict such individuals for violations of the Association's rules and regulations.

Self Renting Owners and Agents will give their renters and guests a letter to give to the guard indicating the names of the people, how many are in the group, and the dates that they are going to stay.

Enforcement: If any of the rules or regulations are violated, the guards are authorized to take necessary disciplinary action. This includes fines to the renter/guest; eviction of the renter/guest or arrest by the local police department.

OCEANA DE ROSARITO OCDMIS NOT A HOTEL AND IT DOES NOT PROVIDE HOTEL SERVICES. YOU ARE RENTING THROUGH A PRIVATE PARTY, ALL NECESSITIES OR PROBLEMS HAVE TO BE COMMUNICATED TO THE PERSON YOU RENTED FROM.

1. -ELEVATORS:

- a). -No playing in elevators.
- b). -No smoking in elevators.
- c). -No bare feet or wet shoes in elevators.
- d). -No littering in elevators.

2 -EXCESSIVE NOISE: Noise due to arriving and departing occupants, or inside the unit, particularly at night, should be kept to a minimum. No radios, TV, Stereos or musical instruments may be played at any time at such a volume so as to be an annoyance to the other residents.

3.- FIREWORKS:

Igniting fireworks in the complex or the common areas is strictly prohibited.

4 -BALCONIES:

- a). -Renters will be held responsible for damages caused by objects falling or being thrown from balconies. Hanging towels or any article of clothing on the balcony railings is strictly prohibited
- b). - The use of electric or charcoal grills on balconies is strictly prohibited.

5. -POOL JACUZZI'S & OTHER COMMON AREAS:

HOURS: 10:00 AM. A 10:00 PM.

- a). -Use of swimsuit is mandatory at all times in pool & Jacuzzi's. (No other type of clothing is allowed b). -All children under 12 years of age must be accompanied and supervised by an adult at all times. c). -No running or horseplay in the pool or Jacuzzi's.
- b). -Wash off sand before entering pool & Jacuzzi's.
- c). -The Jacuzzi is exclusively for adults. No persons under the age of 16 are allowed.
- d). - No glass in pool, Jacuzzi's or deck areas.
- e). -Remove towels, etc. When leaving pool, Jacuzzi ,or deck areas.
- f). -Return deck furniture to it's proper place.
- g). -Remove all your refuse.
- h). -Rinse sand and towel, dry yourself and equipment before entering the building. Wear a towel and footwear.

6. -CLUB HOUSE May be reserved by long term renters and owners on a limited reservation system.

7. - OCCUPANCY: 1 bedroom condo 4 people max., 2 bedrooms 6 people max. & 3 bedroom 8 people max. (Including children 3 and older & adults).

8. -VISITS: No overnight visitors allowed for short term rentals.

9 -PARKING: One vehicle per condo

10 -OFFICE: The office is exclusively for Homeowner's matters, no information will be provided to any renter. Please do not disturb office personnel.

11 - PERSONAL CONDUCT: No thong type bathing suits or nudity is permitted. Do not walk without shoes or sandals in the hallways Please use common sense.
Violators of any of these rules are subject to fines, eviction or possible arrest.

Policy on Rental and Non-owner use of Condominium Units (continued)

GUARDS INSTRUCTIONS

Guards will check the renter, guest's or owner's driver's license to verify identity.

Guards will check in renters/guests on an existing form, which includes all of the necessary information. Guards will take the letter sent by the owner or agent and verify the information in the letter. For example:

If the letter says that 4 people are coming and there are more than 6 people, the entire party will not be admitted or If the letter says that the renter has one surname and the guard verifies that another name appears on the driver's license, the entire party will not be admitted.

Guards will give renters or guests a copy of the rules and regulations and have them sign an agreement indicating that they understand that they will be fined or evicted for violation of the rules.

HEARINGS

Any individual who has received a written "citation" of the Rules and Regulations shall have the absolute right to a hearing with regard to this rule or regulation. The request for such hearing must be filled and received in the office of the Administrator of the Association no more than five (5) days subsequent to the citation in question (unless extraordinary circumstances are proven and are approved of by the Board of Directors.)

1. Children shall not be allowed to skateboard or roller skate in the halls or entryway to the development.
2. No marking on walls or mirrors in the halls and stairways will be tolerated.
- 3 No dangerous or obnoxious behavior shall be permitted upon the Association premises.
4. No profanity shall be "screamed" (far above normal level of conversation) shall be permitted upon the premises.
5. No threats or implied threats of violence.

Common sense." It is virtually impossible for any Board to create a set of rules and regulations that include a list of all possible violations. Therefore, the Board of Directors reserves its absolute right to include as a minor, significant or serious violation of its rules and regulations any activity that could endanger the health, safety, welfare or peaceful and quiet enjoyment of any person legally upon the premises of Oceana de Rosarito OCDMHomeowners Association under these rules and regulations.

GRIEVOUS VIOLATIONS

The following list of "grievous violations" does not include all potential violations that are included as grievous and subject to a series of penalties, sanctions and criminal reports.

However, they include, but are not limited to any verbal or physical threat that would disrupt the ability of the Association to carry on its functions, duties and obligations such as:

1. Any activity that would undermine the loyalty of the guards and other employees, Officers, Directors, Administrator or Assistant Administrator upon the premises or interfere directly or indirectly with the performance of their duties shall be deemed a grievous violation.
2. Any kind of bribery (direct or indirect and in any form) that would induce any employee or other member of the Association to violate the spirit or intent of these regulations.
3. Threats (implied or actual, verbal or physical) toward any employee, Officer, Director or other member of the Association in an attempt to prevent the carrying out of the Association's duties to enforce these rules and regulations. Threats (implied or actual, verbal or physical) toward any person legally upon the premises of Oceana De Rosarito, unless clearly an act of "self defense" (defense of one's own personal property or defense of another individual who may lack the ability to defend themselves) shall be regarded as grievous violations. In general, any activity that raises serious risk to the health, safety and welfare of individuals legally upon the premises of Oceana de Rosarito OCDMshall be regarded as a grievous violation.
4. Any other strategy ,the purpose of which ,is to interfere with the successful operations and management of Oceana de Rosarito OCDMHomeowners Civil Association and in any manner prevents officers, directors or employees of the Association from performing their duties, or to wrongfully (through acts of intimidation, force or otherwise) take control of the Association shall be regarded as a grievous violation.

ULTIMATE ASSOCIATION REMEDIES

In addition to fines of unit owners over and above the actual cost of repairs or expenses to the Association, the cost of attorney fees, whether such attorney fees include negotiations, letters, or representation of the Association in a court of law, shall also include the following remedies:

1. Restriction of members from the use of portions of common area facilities upon which violations have taken place. Such violations include violations of the homeowner, guest, employee, agent (including managers or employees of managers of the units' owners), licensee, child, relative, friend, or any other individual who is or should have been under the control of the homeowner.
2. The restriction of the homeowner from use of all common area facilities with the exception of access and egress to the homeowner's legally approved parking location and access and egress to the individual unit owner's residence.
3. Nothing herein shall prohibit or limit the Board of Directors from seeking full and complete sanctions, fines, penalties and other civil or criminal remedies of the courts of law of Baja California. In fact, it shall be recognized that it is the duty of the Board of Directors to prosecute to the fullest degree possible all violations of criminal law that could endanger of the health, safety or welfare of the owner or guest of owners, renters of owners, friends or relatives of owners who are not in violation of criminal violations of the State of Baja California or the federal government of Mexico.

NOTICE: under the Civil Code of Baja California, it is possible for the Association to expel a member of the Association from the Association by following the rules and procedures as set forth in the Civil Code. In other words, the Association can make a determination, under its legal rules, to deny a member membership in the Association and deny the member all benefits of the association.

LEGAL COSTS

All legal costs of enforcement of these rules and regulations shall be placed upon the individuals who are ultimately declared to be violators of the above rules and regulations. These costs include, but are not limited to, direct and indirect costs of legal services, secretarial services, related expenses thereto.

LEGAL SAVINGS CLAUSE

The above rules and regulations shall be deemed individually void and unenforceable if found in conflict with any specific rule or regulation, law or statute of Baja California or Mexico. If any rule, sanction, procedure, or other provision of these rules and regulations should be found to be inappropriate or in any manner inconsistent with the laws, regulations and statutes of Baja California or the federal government of Mexico, that specific rule, regulation, sanction or procedure shall be deemed null and void. However, all other portions of this document that do not in any manner violate the laws, regulations or statutes of Baja California or the federal government of Mexico shall remain continuously in full force and effect.