**INTERNAL REGULATIONS FOR CONDOMINIUM AND ADMINISTRATION**

**"Flamingo Lakes Golf Resorts Phase 1"**
**Dzemul, Yucatán.**

**EXHIBIT 3. CONDOMINUM REGIME INTERNAL REGULATIONS.**
**This document constitutes only an interpretation from the Condominium Regime Internal Regulations in Spanish. In case of any conflict raised among this document and its Spanish version, this latter will prevail for all legal effects.**

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## OBJECTIVES OF THE REGULATIONS

The present document has as its objective:

- To organize: the territory, administration, areas of communal use, and use of the golf course
- To establish the general arrangements for the layout of the design, construction, maintenance and modification of the buildings and their surroundings
- To take care of the environment by means of preservation of vegetation, topography and natural beauty of the area, safeguarding its ecological characteristics and gardened areas.
- To conserve harmony between the constructions, natural environment and internal social relations of the inhabitants of this Housing Development of Single Family and Multiple Family Residences, in order to achieve a vision of quality, elegance, exclusivity, security and cleanliness within the Development.
- To maintain ecological balance in the area.
- To conserve optimum atmospheric, aural and visual levels, and at the same time to avoid contamination and deterioration of both land and water

This is in order to assure that “Flamingo Lakes Golf Resorts” be a Single- and Multi-Family Housing Development with an urban infrastructure and general services that assure the highest quality of life and conviviality, in which harmony, cordiality and respect for ones neighbours play a key role.

So as to achieve the above stated objectives, the densities, norms and restrictions related to the construction of each “PRIVATE AREA OR LOT” will be elaborated in Chapter II of the present document. Thus, if any of the stated regulations are ever made subject of interpretation or contravened, the issue must be regulated by the Association of Residents of Flamingo Lakes Golf Resorts and in accordance with any applicable legal norms.

## THE COMPANY

The company “PLATINUM YUCATAN RESORTS S.A. DE C.V., which will be referred to in the following pages as “PYR”, is a Commercial Corporation duly incorporated, under the laws of the Mexican United States, as it is written in the public deed number 908 dated the 7th of November of two thousand and five, in the presence of the Lawyer and Public Notary Mario Enrique Montejo Pérez, in charge of the Public Notary No. 74 in the city of Mérida, State of Yucatán, whose first testimony was written in the Public Registry of this City under the electronic mercantile folio 43462,

Amongst its responsibilities towards the Single- and Multi-Family Residential Housing Development, are the following:

- To comply with each and every one of the measures of prevention, control, mitigation and restoration, in accordance with the determining factors put forward in the Statement on Environmental Impact relating to the land mentioned below; the same factors that are found contained in the document of authorization on environmental impact issues, which is attached to the present Regulation, forming an integral part of it, and incorporated for all purposes herein.
- To be responsible for the quality of information presented in reports that permit the relevant authority to evaluate and certify the fulfilment of the determining factors signalled in the anterior paragraph.
- To establish a programme of supervision in order to detect what might be, from an environmental perspective, critical issues and to establish strategies or regulate dangerous activities.
- To locate in the work areas an adequate prevention signal, both restrictive and informative, daily and nightly, directed towards the general population, stating all of the works the company PYR will undertake in that place during civil activities. Equally, informative notice boards should be put up in those places that function as biological channels.

## THE DEVELOPMENT

“FLAMINGO LAKES GOLF RESORTS” is situated in the area of land with registration number 1002 denominated “San Antonio” of the locality and municipality of Dzemul, Yucatan, as described in the public deed number one thousand and seventy five of the first of November two thousand and six, awarded in the presence of Public Notary Mario Enrique Montejo Perez, public notary number 74 of the State of Yucatan, is a Single- and Multi- Family Residential Housing Development and is subject to a condominium regime. The property is physically bordered around its perimeter and has a gated entrance and exit point. Furthermore, it will include a golf course, as well as commercial and residential properties and communal areas.

## CHAPTER I

## GENERAL CONDITIONS

**ARTICLE 1.1.– REGULATIONS.–** The present regulations of Condominium and Administration are put forth by the owner PLATINUM YUCATAN RESORTS, S.A. DE C.V., and will be applicable to the terrain y constructions of the Single- and Multi-Family Residential Housing Development known as "FLAMINGO LAKES GOLF RESORTS PHASE 1"

It is supported by: The General Law of Human Settlement, the Law of Human Settlement of the State of Yucatan, The Law on Development of the State of Yucatan, The General Law of Ecological Balance and Environmental Protection, Law on Property and Condominium Real Estate Regime of the State of Yucatan.

**ARTICLE 1.2.– DEFINITIONS.–** The terms used in the text of the present regulatory document will be interpreted in accordance with the following definitions

**1.– FLAMINGO LAKES GOLF RESORTS PHASE I.-** Development with a surface total of **2,136,619.113m2**, located on the property with Property Register number 1002, with a total surface of **8,819,191.73m2** of irregular dimensions in the municipality of Dzemul in the State of Yucatan, property of "Platinum Yucatan Resorts S.A. de C.V., whose surface area was agreed as is recorded in the Cadastral Form produced by the Government Cadastral Office of the State document number 81605 dated the 2 of July 2009, with a total surface area of 8,872,800,00 m2. Platinum Yucatan Resorts, S.A. de C.V. was legally authorised to carry out on that property a SINGLE- AND MULTI-FAMILY PRIVATE RESIDENTIAL HOUSING DEVELOPMENT, as is accorded in the Document of Authorization issued by the State Executive on the date July thirtieth two thousand and seven, and published in the Official State Diary on the 31 of the same month and year. For the purposes of the present document, the definitions FLAMINGO LAKES GOLF RESORTS PHASE I and FLAMINGO LAKES GOLF RESORTS will be used interchangeably.

**2. – PERMITS AND AUTHORIZATIONS.-** These are each and every one of the legal exhibits and documents in which appear the terms or conditions on the basis of which the SINGLE- AND MULTI-FAMILY PRIVATE RESIDENTIAL HOUSING DEVELOPMENT was authorized by the relevant Federal, State and Municipal authorities, and which are obligatory and must be fulfilled and respected by each and every one of the Joint-Owners of "Flamingo Lakes Golf Resorts Phase I". To all legal effects, included in the present document and thus becoming an integral part of the same, are all of the permits and authorizations that have to date been obtained by FLAMINGO LAKES GOLF RESORTS and/or Platinum Yucatan Resorts S.A. de C.V. In the same way are included in the present document each and every one of the legal exhibits and documents in which are stated the additions and/or modifications of the SINGLE- AND MULTI-FAMILY PRIVATE RESIDENTIAL HOUSING DEVELOPMENT named as Flamingo Lakes Golf Resorts that might be issued in the future by the empowered Federal, State and Municipal authorities. These additions and/or modifications will only be applicable to the Joint-Owner of "Flamingo Lakes Golf Resorts Phase I" to whom have been made known the legal exhibits and

documents concerned, in an indubitable manner, by means of written notification with acknowledgement of receipt.

**3. – MAXIMUM CONSTRUCTION HEIGHT.-** This is the maximum elevation that a building may have, including ridge tiles of pitched roofs and complementary elements, without that they obstruct the view from other properties. The height is expressed in levels and in metres. The height is measured from foundation level of the construction, which is itself defined as the highest point at which the natural terrain joins with the edifice.

**4. – GENERAL COMMON AREAS.-** These are those areas that due to their nature and characteristics are destined for shared usage and are property of all Joint-Owners of the "Flamingo Lakes Golf Resort Phase I" participating in them in accordance with the undivided co-ownership assigned to each PRIVATE AREA OR LOT.

**5. – MAXIMUM AREA OF CONSTRUCTION.-** This is the maximum surface area of construction admitted for each abode in line with the permits and authorizations awarded by the relevant authority and which are applicable to FLAMINGO LAKES GOLF RESORTS PHASE I and/or PLATINUM YUCATAN RESORTS S.A. DE C.V.

**6. – PRIVATE AREA OR LOT.-** This is each singular and exclusive unit of property in the area of "Flamingo Lakes Golf Resort Phase I" that belongs to each owner or Joint-Owner and which will be destined for private use within the Condominium property regime.

Delimited by the measures and boundaries on the sale contract, and which has restrictions in accordance with the permits for authorization of construction, of development and environmental permits.

**7. – HOUSE OR ABODE.-** This is defined as an independent space for habitation, with a maximum of two levels and that does not share its structure with another.

**8. – JOINT-OWNER.-** This is the individual or corporation who as owner is in possession of one or more PRIVATE AREAS OR LOTS or the person who has entered into a contract in that role, through fulfilment of the terms of that contract becomes owner of one or more of said private areas or lots.

**9. – FRACTIONAL JOINT-OWNERS.-** These are the individual or corporation who as co-owners are in possession of one or more portions or fractions of a determined PRIVATE AREA OR LOT or the person that has entered into a contract as such, and who in fulfilling the terms of that contract becomes owner of one or more of said portions or fractions. The co-owners will be obliged to comply with the present document and also with the fulfilment of the Regulations for co-owners of Flamingo Lakes Golf Resorts Phase I, which will in due course be issued and submitted to the relevant individuals, subject to proof of receipt.

AS LONG AS the Regulations for Joint-Owners is not sent to the Fractional Co-Proprietors of Flamingo Lakes Golf Resorts Phase I will be subject to the provisions applicable to them within the terms of the Civil Code of Yucatan.

**10. – DESIGN ELEMENTS.-** These are the non-living spaces that extend beyond the roof of the edifice such as chimneys, domes, copulas and other installations.

**11. – GARDEN OR GREEN AREAS.-** The percentage of the surface of the land that must be occupied by gardens or natural vegetation.

**12. – FREE SPACE.-** This is the percentage of land that must be free of buildings and that is intended solely for gardens, parking lots, pedestrian and vehicle traffic, decks and installations that are built in open space, such as sports courts, swimming pools and the like, specifically authorized by the Association of Joint-Owners of Flamingo Lakes Golf Resorts.

**13. – PARKING.-** This is a space, covered or uncovered, that is intended for the parking of vehicles within a PRIVATE AREA OR LOT.

**14. – SURFACE AREA OF FOUNDATIONS OR COEFFICIENT OF GROUND OCCUPANCY.-** This is the percentage, in square metres, of the surface of the property where a single floor construction can be built which corresponds to the area of excavation of the buildings.

**15. – MAXIMUM CONSTRUCTED AREA OR COEFFICIENT OF LAND USE.-** This is the maximum area that can be constructed, taking into account all the constructed levels, expressed in square meters and in a percentage in relation to the total surface of the property.

**16. – USE OF ASSIGNED LAND.-** This is the authorized use of the PRIVATE AREAS OR LOTS.

**17. – ROADWAYS.-** These are the roads for vehicle or pedestrian traffic that serve to connect the development with the existing urban grid or that connect the internal parts of the development itself.

**18. – RESIDENTIAL LOT.-** These are private areas of the development that are classified for habitation.

**19. – COMMERCIAL AREAS.-** Private areas intended for mercantile use.

**20. – GENERAL SERVICE AREAS.-** Areas of Common Use intended for the construction or installation of the infrastructure that serves the development.

**21. – COMMON FACILITY AREAS.-** These are areas of common use intended for construction of those space in which the Joint-Owners engage in social activities.

**22. – BIOLOGICAL CHANNELS.-** These are areas that connect protected natural areas with the aim of permitting the movement and reproduction of the flora and fauna found therein. In these spaces the use of sustainable natural resources is promoted as is the conservation of biodiversity and community development.

**23. – CONSERVATION AREA AROUND THE GOLF COURSE.-** Green areas for private use.

**24. – AREAS FOR THE CONSERVATION OF FLORA AND FAUNA.-** Natural areas protected and conditioned in response to the manifesto on environmental impact and in the aim of conserving them, which will be governed and managed by means of their individual regulation.

**25. – GOLF COURSE.-** Area for private use which will be governed and managed by means of its individual regulation.

**ARTICLE 1.3.– DISTRIBUTION OF THE LAND OF THE SINGLE- AND MULTI-FAMILY PRIVATE HOUSING DEVELOPMENT "FLAMINGO LAKES GOLF RESORTS".-** The housing development "Flamingo Lakes Golf Resorts", in conforming to the Condominium Property Regime, comprises the following elements:

- Roadways
- Residential lots of different categories
  - Dzemul
  - Telchac
  - Yucatan
- Multi-family buildings
- Golf Course
- Area circumnavigating the Golf Course
- Commercial areas
- Lakes
- Service areas
- Infrastructural areas
  - Fire station
  - Two treatment plants
  - Temporary storage of solid waste
  - Electrical substation
  - Surveillance/security booth
  - Water treatment plant
- Service area
  - Hotel
  - Club house
  - Areas for multiple use
  - Golf cart repair shop
- Areas for common use
- Areas for the formation of the biological channels
- Conservation area around the golf course
- Areas for the conservation of flora and fauna

The details and characteristics of each one of the abovementioned areas are described in the Authorization for Development published in the Official State Diary on July 31st 2007.

**ARTICLE 1.4.– RESPONSIBILITY.-** The Fractional Joint-Owner as well as the Joint-Owners will be jointly and severally responsible along with the company PYR for all non-compliances and damages caused by any person or user of their

“PRIVATE AREA OR LOT”. Consequently, those Property Joint-Owners or the Joint-Owner in question will pay the conventional penalties and will become the creditors of any sanctions imposed by the authorities that establish this present regulation.

The Fractional Joint-Owners just as all Joint-Owners will assume said responsibility at the moment of acquiring the whole or fraction of their “PRIVATE AREA OR LOT”, whichever it may be, and must acknowledge when they lease or permit its use.

**ARTICLE 1.5.– TRANSFER AND MORTGAGES.-** Each Joint-Owner will be able to transfer, mortgage or encumber their singular and exclusive unit of property, without the need for consent from the other Joint-Owners. Fractional Joint-Owners that have entitlement to a private area or lot will only be able to transfer, mortgage or encumber their unit when they have the express and indubitable consent of each and every one of the other co-owners of the unit or lot in question.

**ARTICLE 1.6. – LEGAL RESPONSIBILITIES.-** Following the integration of the “ASSOCIATION” the company PYR as any of its integral or auxiliary members, will not have legal responsibility, before any authority or owner, for the decisions that lead to damages to third parties derived from the owners or by the approval of plans, drawings, specifications or projects, nor for any work that is carried out in agreement or not with those plans, projects or specifications previously approved.

**ARTICLE 1.7. – OBLIGATORY UNDER THE RULES.-** The rules put forth in this regulation are obligatory for all owners, co-owners, tenants, beneficial owners, or any other person with rights of ownership or propriety of one or more lots, just as for visitors, experts, contractors, professionals and persons in the realization of the construction of the house on that lot.

**ARTICLE 1.8. – VALIDITY OF REGULATIONS.-** The present regulation takes effect from October 2009.

## CHAPTER II

## ADMINISTRATION

**ARTICLE 2.1. – VIGILANCE OVER AND FULFILMENT OF THE RULES.-** In order to supervise and conserve the intended use of the authorized land; the percentage of occupancy of lots; integration into context and integration of the urban image of the constructions with the conservation of the landscape and ecological balance; as well as relationships between owners and authorities, and relationships amongst the owners themselves, an association will be established, which will be known as ASSOCIATION OF JOINT-OWNERS OF FLAMINGO LAKES GOLF RESORTS PHASE I, A.C., which will be referred to in what follows as THE ASSOCIATION and which will be the ultimate authority responsible for the supervision and application of the present regulation.

UNTIL the constitution of the ASSOCIATION OF JOINT-OWNERS OF FLAMINGO LAKES GOLF RESORTS PHASE I, A.C., the company Platinum Yucatan Resorts, S.A. de C.V., will be in charge of carrying out the functions of the latter.

**ARTICLE 2.2. – RESPONSIBILITIES OF THE ADMINISTRATION.-** The administration of the development will only be responsible for the common-use assets, and never for matters related to private assets, except extraordinary maintenance services that may be provided to the latter.

**ARTICLE 2.3. – CREATION OF THE ASSOCIATION OF RESIDENTS OF THE DEVELOPMENT OF FLAMING LAKES GOLF RESORTS PHASE I, A.C..-** When, in line with its percentage of co-ownership and those that correspond as creditors, PYR stops being a majority, it will summon the first general meeting for Joint-Owners with the aim of creating the named "ASSOCIATION" and the so-called Supervision Committee.

**ARTICLE 2.4. – FUNCTIONS OF THE ASSOCIATION.-** The "ASSOCIATION" will for its first act name an administrator, individual or corporation, who will be in charge of all things related to the overall administration of the property development. The company PYR must hand over to the administrator all information that is necessary in order that they carry out their duties and the administrator will do the same for any individual that may replace them, and of this person has not yet been appointed then the outgoing administrator will hand all such information to the supervision committee.

Other functions of the association will be the creation of a committee denominated "Committee for Architectural and Urban Supervision" of the Residential Development Flamingo Lakes Golf Resorts.

This committee will have as its main objective the maintenance of architectural harmony amongst the buildings that are constructed within the Flamingo Lakes Golf Resorts, and will work on conjunction with the corresponding authorities, it will be charged with receiving proposals, plans, architectural projects and building plans for each project that will be carried out on the plots of land.

The "Association" will also have as one of its functions the creation of a "committee for environmental supervision", which will have as its main objective the supervision of the compliance to/fulfilment of each and every one of the restrictions, conditions and so on, related to environmental issues established in the official authorizations and in the study on environmental impact.

For the carrying out of its functions, the "ASSOCIATION", the "COMMMITTES", or the company PYR, will be assisted by the necessary capable persons.

The association will have the power to resolve any unforeseen issue that is not specified or established in this regulation and in the same way will be able to propose changes to the same for their approval before the assembly of Joint-Owners.

**2.5. – FACULTIES OF THE ADMINISTRATOR.-** The administrator will have the following faculties:

1. To take care of and look after the assets of the housing development.
2. Obtain and maintain the books and documents related to the development which will always be available for consultation by the respective property Joint-Owners.
3. Formulate the project of estimated yearly income and outgoings, and call a General Assembly in order to submit it for discussion and approval.
4. Verify the register of Joint-Owners and, should it be required, add to and update it.
5. Take notes of the assembly acts, transcribe them onto the books and obtain the necessary signatures.
6. Open and manage the account books and inventories of the common assets and other necessary items, as well as registers and obtaining necessary permissions.
7. Compile the financial reports of the development and distribute them to the Joint-Owners.
8. On the first day of each month, issue receipts for the quantities charged to each property Joint-Owner, be it for costs and payments made or for payments pending. The Joint-Owners will be obliged to make said payments in the administrators office or in the place indicated by the administrator, who will also be empowered but not obliged to accept such payments at the property of the co-owners, but the obligation remains with the Joint-Owner to make the payments as has been outlined in this paragraph.
9. When a condominium owner incurs a debt the administrator will be able, should they consider it necessary for the general good of the development, to distribute the amount of the debt caused between the other remaining owners. Once the said debt and its related interests have been recuperated, any necessary amount will be refunded to those that have made such additional contributions, either immediately or by means of reducing their own future payments accordingly to compensate. In regards of the interests collected, those will be added to the reserve fund.

10. Carry out the actions agreed by the Assembly, unless the latter appoints another person.
11. Summon Assemblies having agreed this with the Supervision Committee and, in the absence of the latter, of their own accord.
12. Carry out all the administrative acts necessary to the functioning of the development, as well as those necessary to the defence of common interests.
13. Oversee, through the required personnel, the maintenance, operations, conservation, cleaning and security of the development.
14. Make the necessary expenditures, using the respective funds, for the administration and conservation of the development.
15. Should it be necessary, organise the insurance for the development that are stated as necessary or obligatory in this present regulation.
16. Open the required bank accounts, as per this present document.
17. Undertake the other functions and comply with the obligations related to their post as set forth in the Law, the Articles of Incorporation, the present regulations, and other applicable legal provisions.
18. Act as permanent secretary of the General Assemblies.
19. Undertake any other function requested of them by the Supervision Committee or by the General Assembly of Joint-Owners.

**2.6. – RESPONSIBILITIES OF THE ADMINISTRATOR.-** This person will be the legal representative of all proprietors where matters of common interest related to the development are involved, and therefore will possess all of the faculties of a general attorney for administrative acts and for lawsuits and collections within the terms of the articles outlined by the Law on this matter for the State of Yucatan. When the administrator contracts, on behalf of the development, janitorial, security personnel and the like, the working relationship will exist only between the aforementioned development and those employees. When it may be required, the administrator will also contract in the name of the development personnel for the carrying out of determined works. In no case will the administrator assume obligations or personal responsibilities, but rather only pertaining to an exclusive principal agent.

**ARTICLE 2.7. – FACULTIES OF THE SUPERVISION COMMITTEE.-** Both the salary and the fees, as is required, that are agreed with the administrator of the housing development, will be determined by the supervision committee.

## CHAPTER III

## REAL ESTATE PORTIONS

**ARTICLE 3.1. – PROPERTY OF THE CONDOMINIUM.-** For the purposes of the present regulations the property under the condominium regime "Flamingo Lakes Golf Resorts" is divided as follows:

**1.-**Individual real estate property called PRIVATE AREAS OR LOTS. These areas or lots can be owned by more than one person be it fractionally or in Co-ownership.

**2.-** Common property real estate belonging in proportional parts to each one of the condominium Joint-Owners and Co-owner Joint-Owners in the case of a fractional property (undivided), called communal areas.

**ARTICLE 3.2. – DENSITIES AND COEFFICIENTS OF LAND OCCUPANCY-** All the PRIVATE AREAS OR LOTS will have a co-efficiency of land occupation and a co-efficiency factor for land use, authorized by the committee for urban development.

In no case will the density of the "Flamingo Golf Lakes Resorts" Residential Development exceed that authorized in the Permits and Authorizations, and in particular in the respective manifesto on environmental impact, in the licenses for land use and the license of construction awarded for this development.

**ARTICLE 3.3. – MERGING OF PRIVATE AREAS OR LOTS.-** The Joint-Owner who owns two or more PRIVATE AREAS OR LOTS will be able to merge these into one without requiring any authorization from the Association of Joint-Owners of Flamingo Lakes Golf Resorts, as long as the property resulting from the merger complies with the norms and restrictions of construction set in the Regulations on Design, Construction and Image and that on that same property is built only one edifice that fulfils all of the obligations related to environmental

matters and with all corresponding Permits and Authorisations. The Joint-Owner that carries out such a merger must give notice to the Association of Joint-Owners of Flamingo Lakes Golf Resorts, for administrative purposes of the condominium itself.

**ARTICLE 3.4. – ECOLOGICAL NORMS.-** For the purpose of conserving the natural environment and the image of the surroundings of the lots, conservation areas have been reserved. These will be located to the north of the property with a total surface area of 3,286,365.10 square meters, as well as around the golf courses distributed in strips or islands; green reservation areas of 1,443,548.96 square meters have been designed, the conservation of which is an obligation of every inhabitant of the development.

Furthermore, each Joint-Owner must comply with the following norms:

**1).-** For every project to be approved, one must deliver to the Committee for Architectural and Urban Supervision, together with the respective plans, the mapping of the existing trees on the property, marking the number, location, approximate height, diameter of the trunk and the type of the trees.

**2).-** Each Joint-Owner is obliged to and commits to design and ensure that at least 90% of the water fall from the roofs is directed over green areas so that the rain may be absorbed into the aquifers. Any water fall not directed onto green areas must be channelled through gargoyles or gutters hidden in the edge of the roofs so that it is directed into absorption wells or rainwater cisterns in order that it be made use of.

**3).-** Each Joint-Owner is obliged to and agrees to carry out the installation of at least one rainwater absorption well or a treated water cistern on their property.

**4).-** The project will include by obligation a cistern for potable water with a litre capacity not less that that assigned by the respective committee and to optimize the use of water it will be obligatory to have a double drainage network; one exclusively for wastewater (from the kitchen and bathrooms) and the other one that allows recycling of soapy water (showers, washing machines, etc) and pluvial water in a special cistern that can be used to water the garden, clean sidewalks or streets. This cistern must or have an exit that connects to the waste water drainage so that in the event that the former reaches maximum capacity it does not overflow.

**5).-** Each Joint-Owner agrees to complete the installation of a watering or irrigation system of low water consumption for the garden area of his or her PRIVATE AREA OR LOT so that in case of drought the entire property will remain green.

**6).-** Each Joint-Owner is obliged and agrees to sow on their PRIVATE AREA OR LOT only one type of grass, assigned by the respective committee, taking into considerations the respective ecological observations.

**7),-** Each Joint-Owner is obliged and agrees to plant trees on 30% of their PRIVATE AREA OR LOT.

**8). –** Each Joint-Owner is obliged and agrees not to plant any type of prohibited plants in the green areas that border the frontal facade of their
PRIVATE AREA OR LOT.

In environmental matters it is strictly forbidden to:
• Introduce any exotic species of fauna in the artificial lakes.
• Obtain water with which to fill lakes from the pink lagoon.
• Use areas assigned for conservation for the construction of temporary buildings.
• Pour wastewater in bodies of water and/or the water table without treatment.
• Burn vegetation.
• Quarry for materials that have no environmental authorization.
• Use latrines or septic tanks during the construction stage.
• Sow the species *Paspalum sp* in areas other than the golf course.
• Dispose of garbage of any kind in open areas.
• Construct roadways or paths other than those authorized.
• Put up fences that delimit the forest area and may prevent free dispersal of the fauna.
• That personnel taking part in the carrying out of the project, capture, chase, hunt and /or traffic in species of wild flora and fauna that live in the area of influence of the project and other ground and aquatic species and subspecies endangered, threatened, rare or subject to special protection as established in the Official Mexican Regulation (Norma Oficial Mexicana) NOM-059-SEMARNAT-2001.
• Cut down trees in private, communal or conservation areas for use in construction or for burning.
• Modify the topography in private or communal areas that form a part of ground drainage because they are natural drains, and in private areas it is forbidden to construct platforms or terraces that require containing walls or that affect drainage of rainwater from private or common neighbouring areas.
• Remove trees or bushes from public roads and pathways or green areas with the aim of planting them on one's own property or for any other reason.
• Start fires that endanger the flora and fauna of this development such as the building of bonfires, use of fireworks or the setting off of any kind of rocket.
• Release any kind of projectile with the aim of killing birds, squirrels that live within the development, or set traps with the aim of capturing them.

## CHAPTER IV

## IN RESPECT OF HOUSES

**ARTICLE 4.1. – REGARDING THE HOUSES.-** The Joint-Owner of property are obliged to build only one house on each lot, and to comply with all the restrictions and norms of construction set out in the present regulations and in that set out by the "ASSOCIATION"

**ARTICLE 4.2. – CONSTRUCTION RESTRICTIONS.-** The PRIVATE AREAS OR LOTS will be subject to following construction restrictions:

**1.- PERIMETER OF GREEN AREA.-** The grass in all the lots must extend up to the pavement and must remain free of any construction, as must the front of each lot. This restriction must not contravened. It will not be permitted to create more parking areas, pathways or paved areas, unless this is approved in the

corresponding design plan. When the construction of the buildings on the aforementioned land is finished the lawns on all the sides of the buildings must be covered completely (100%) with grass and in each property a system of irrigation has to be installed with enough capacity to maintain the grass, trees, bushes and plants duly watered. The above mentioned is with the intention that the green area in the landscape will be uniform in green colour, so that it look luxurious and well maintained. If the buyer, dealer, or their delegates obtain the corresponding permits from all governing authorities, the company PYR or the Committee for Architectural and Urban Supervision, after reviewing the installation plans and agree their compliance with all governmental requisites, will then allow the buyer, dealer, or designate to drill a well for the purpose of irrigation.

An adequate landscaping plan will have to be presented to the company PYR or to the Committee for Environmental Supervision, for approval in respect of the planting of a sufficient number of trees and bushes of adequate size; **these areas will only have vegetation native to the ecosystem.** The design must be in accord with the status of the project which is of a high class of residential property. After the written approval of the landscaping plan by the company PYR, the plan will have to be executed and completed by the concessionaire. The rejection by the company PYR or the Committee for Environmental Supervision of the landscaping design could be based on environmental criterion according to the manifesto on environmental impact and on discretionary criterion that the company PYR or the Committee for Environmental Supervision consider sufficient. The authorization to start the construction of a building under these restrictions could be held-up until the landscaping design in question has been adapted until adequate within the terms of these restrictions. If the landscaping is not done according to the landscaping design, the company PYR or the Committee for Environmental Supervision could, at its discretion, enter the aforementioned lot and correct, remove or undertake said landscaping, charging a reasonable amount to do so, and such charge will constitute an encumbrance on said land, in accordance with the laws of the State of Yucatán.

**2.- LEVEL HEIGHT.-** The maximum height per level will be that indicated by the company PYR or the Committee for Architectural and Urban Supervision.

**3.- GARAGE AND PARKING SPACES.-** No garage or carport that is separate from the principal building will be built unless it is authorized in writing by PLATINUM or by the Committee for Architectural and Urban Supervision; the measurement, features, locations and the form of such areas must be approved in writing before the beginning of the construction of any building or modification of the same.

**4.- MINIMUM AREA CONSTRUCTED.-** The minimum built area of a house will be that previously approved by the company PYR or the Committee for Architectural and Urban Supervision and will never exceed that contained in the corresponding permits and authorisations.

**ARTICLE 4.3. – PREREQUISITES FOR A CONSTRUCTION PERMIT.-** As a prerequisite to obtaining the authorization for a Project for the construction of a house, the Joint-Owner must:

**1.-** Be up to date in the payments of condominium administration and maintenance fees.

**2.-** Declare their intentions, expressing:

**a).-** A commitment to comply with the restrictions, conditions and obligations in general in environmental matters, as well as the restrictions and construction norms contained in the present Regulations and in the Regulation of Design, Construction and Image, and to demolish any structures that are put in place in contravention of such norms and restrictions.

**b). –** The will to pay any damages caused as a consequence of the carrying out of the construction to JOINT-OWNERS of adjacent properties and to any third parties.

**c). –** That before the beginning of the construction and after the approval of the project by the Association of Joint-Owners of Flamingo Lakes Golf Resorts, they will obtain from the competent authorities all permits and licenses for the construction of the house.

**3. –** The will to issue a bond from a Mexican company legally authorized to issue it in favour of the Association of Joint-Owners of Flamingo Lakes Golf Resorts for the amount the proprietor considers necessary. Should the Association of Joint-Owners of Flamingo Lakes Golf Resorts not accept the amount of the estimate for the construction, so as to guarantee the payment of the damages referred to in the immediately preceding section two, another type of guarantee in substitution of the aforementioned bond may be decided.

**4. -** To pay, starting at the date of the issuance of the building permit or at the beginning of the construction, whatever comes first, one hundred percent of the corresponding maintenance fees as if the house were already built.

**ARTICLE 4.4. – AUTHORIZATION TO BUILD A HOUSE.-** Prior to the beginning of the construction of the house, the owner will have to ask for authorization from the company PYR or to the Committee for Architectural and Urban Supervision in respect of the architectural project for construction. At the time of requesting such authorisation, the Joint-Owner must hand over to the company PYR or to the Committee for Architectural and Urban Supervision two hard copies and a CD of the project, with the following documents and requirements:

**1). -** To obtain the services of a professional architect to be responsible for the project and analyze, with him, the content of these norms.

**2).-** To complete the preliminary plan once the demarcation of the lot is done and a visit to the site has been made in order to know the particular characteristics of the lot where the construction is desired to take place.

**3).-** To obtain the official number that corresponds to the location of the lot, issued by the relevant authority.

**4).-** Identify the Registry of the Federal Commission of Electricity so that the preliminary plan can take into consideration the underground electrical connection, and request a contract for use of it.

**5).-** Specification of the urban project that details the materials to be used in and on floors, walls, windows, roofs and which indicates the colours of exterior features, as well as the landscaping; complete floor plan of the whole property with a scale indicated by the respective committee, and architectural floors, cuts and facades, all in scale, indicating the height in relation to the level of sidewalks and to the level of the natural land with contour details; plans of exterior design and landscaping; perspective drawing in colour and a program for project completion.

**6).-** All the plans must indicate lot Number, address, date, name and signature of the owners, name and signature of the expert responsible for the construction, name and number of the state license of the project design expert, surface area of the lot.

**7).-** A site survey, detailing the configuration and levels of the lot, indicating if there are trees with trunks of more than ten centimetres in diameter and, if this is the case, mark of their location.

**8).-** A check list that the project complies with the norms and restrictions of construction contained in these Regulations and in the Regulation of Design, Construction and Image.

**9).-** The verification that the Project complies with the “Coefficient of Land Use”, and the number of parking spaces required.

For the purpose of ensuring that the buildings located on the aforementioned land maintain an adequate level of construction, none of them nor any other structure, can be erected, located or remain on the aforementioned terrains, until the duly approved design plans and specifications have been presented to the company PYR or to the Committee for Architectural and Urban Supervision. As well as the aforementioned requirements, the contractor indicated must provide a bond guarantee of completion for the quantity of the construction works as they appear in the plans and specifications to account for the possibility that their construction works are not completed, and with which the finalisation of the aforementioned plots can be undertaken. This aforementioned bond must be obtained from a recognised Bonding Company and must be approved by PYR.

The refusal to issue the approval of the plans, specifications and location of buildings by the company PYR could be based on any argument, including those made solely on aesthetic or environmental grounds, which are deemed by limitless capacity for judgement to seem sufficient. No alteration of the exterior of the buildings or structures mentioned here may be carried out without the written approval of the company PYR or the Committee for Architectural and Urban Supervision. The conditions contained in the present document will be applicable in the same manner to repairs, alterations or modifications carried out on the aforementioned buildings.

The company PYR reserves the right (but not the obligation) to inspect at any moment, the development of the construction of the buildings in order to ensure that such construction complies with the plans and specifications, and if as a result of such inspection it is found that the requirements of the plans and specifications are not being met, PLATINUM will send a letter to the contractor, with a copy to the owner, outlining the objections to the construction and from that moment work on that construction must cease until such a time as the objections raised have been responded to and resolved.

The issuance of a construction permit or license that contravenes the provisions put forward in these regulations will not prevent PYR from making effective the conditions established in this document.

The authorization of the Committee for Architectural and Urban Supervision for the project will be issued through a ruling of approval in a written form that will be given within in the fifteen working days following the date upon which was received all the information contained in this article. Until the ruling of approval has been given in writing, the undertaking of any preliminary work or preparation of the land for construction will be prohibited.

Any modification to the authorized project or remodelling of already completed construction, will also require a written ruling of approval from the Committee for Architectural and Urban Supervision and this will be issued within the fifteen working days following the date of receipt of all the information outlined in this article.

When the construction of the approved projects have been finished they must be maintained as if they were new, and should be properly painted, including the sidewalks and roofs. The colour of the paint must not be changed without approval in writing from the company PYR or from the Committee for Architectural and Urban Supervision.

The company PYR must maintain the humidity of the grass and provide general maintenance of the bushes, shrubs and trees as often as is necessary for the touristic development to maintain its high quality image. The company PYR will have to obtain from each Join-owner a monthly fee (this will be integrated into the communal expenses) for said maintenance.

The rules regarding lot maintenance will apply equally to all vacant lots as to those that are occupied. Aside from the maintenance supplied by the company PYR described in the preceding paragraphs, the Join-owner will be responsible for the grass and other similar vegetation growth. Moreover, each plant, lawn, scrubland etc…that die out or take on an appearance outside of the project conception will be removed and substituted as soon as possible. In the case that the Joint-Owner not comply with the maintenance of the buildings in the conditions outlined above, the company PYR or the ASSOCIATION may go to the lot in question and repair, substitute, install or maintain the part in poor condition without this action being taken as an invasion of property, and an financial obligation will be incurred in favour of the company PYR for the cost of the expenses resulting from the restoration of the status quo.

In case of any residence or other buildings or structures being damaged or destroyed by any natural incident such as fire, hurricane, etc., force of nature or any other risk, that can be insured with an which would be normally insured with a policy of the owner's choice they will, within a period of 6 months or less counted from the date of the event, start to reconstruct or re-establish such residences, buildings or structures, or will proceed to demolish them and will remove the remaining materials, as well as other debris, cleaning the place in a proper manner and filling in the foundations and all the pools and drainage systems that are used exclusively for those residential buildings or other structures, within a period of six months of the date on which the event occurs. If the Joint-owner does not comply with this condition, the company PYR will have the right to access the property in question, without this act being understood as one of trespassing, and will remove the buildings in question, clean the site at the expense of the buyer, and such charge will become a debt against the property mentioned until the total charge is paid to the satisfaction of the company PYR.

The construction of the residence must be carried out within the 2 years of the date of approval of the construction permits by the relevant authorities.

**ARTICLE 4.5. – USAGE OF PRIVATE AREA OR LOT.-** Each Joint-Owner or resident of a PRIVATE AREA OR LOT in "Flamingo Lakes Golf Resorts" will use his or her PRIVATE AREA OR LOT in an orderly and peaceful way. He or she may not use it for other purposes than those expressly authorized. Nor may they engage in any act that disrupts or affects the peace of other Joint-Owners owners or users, or that compromises the strength, security, health, comfort, prestige or good appearance of "Flamingo Lakes Golf Resorts", or by produce the same results by failing to do other things. The lots on the development may only be used for the construction of single-family residential dwellings upon lots previously intended for such use. The hotel, Apartment Blocks, commercial services, club house and golf course are equally pre-established for these uses.

**ARTICLE 4.6. – RENTING OR LEASING OF HOUSES.-** In order that each JOINT-OWNER lease out or give by any other legal means the use of his or her "HOUSE OR PRIVATE AREA OR LOT", they have to comply with each and every one of the following requisites, which must form part of the leasing contract or grant of use:

**1).-** The PRIVATE AREA OR LOT will be used exclusively for residential purposes, therefore commercial use, exercise of any profession or any other type of commercial activity is strictly forbidden without the express written consent of The company PYR or the ASSOCIATION.

**2). -** The express acceptance by the lessee or user to respect and obey the present regulations, of their full understanding of them and of their acceptance that the obligations of the Joint-Owners outlined herein are their own.

**3.).-** The express acceptance of the lessee or user to respect and comply with the provisions of the regulations and instructions that are issued based on the present regulations.

**4).-** The express acceptance by the lessee or user to pay the conventional fines established in these regulations for non compliance with the same or with the regulations and instructions that are issued based on the present document.

**5).-** The acceptance of the lessee or user to pay the damages caused by him, his family or any other person present on the PRIVATE AREA OR LOT rented or given for use, within five working days following the date required by the ASSOCIATION. This payment will be made to the Association itself, constituting for this purpose the solely responsible of the lesser or user with respect to the obligations of payment from the latter in the form of conventional damages.

**6).-** The acceptance of the Joint-Owner leaser to pay the damages incurred by the user or lessee of the assets, areas and/or common facilities of the condominium, should these not be covered.

**7). -** The acknowledgment of the lessee user that noncompliance with any of the obligations agreed in these regulations, will be cause for cancellation of the leasing contract or granting of use. Also the lessee will accept that PYR or the condominium administrator will be legally authorized to carry out such cancellation. For this purpose, the Flamingo Lakes Golf Resorts Joint-Owners Association will have the capacity of joint and several creditors jointly with the Joint-Owner lesser. Consequently PYR or the Association of Joint-Owners of Flamingo Lakes Golf Resorts must be present during the finalisation of the lease contract or of the contract in which use of the PRIVATE AREA OR LOT is granted.

**ARTICLE 4.7. – PRIVATE AREAS LIMITATION.-** Each Joint-Owner is obliged:

**1). -** Not to place water tanks, gas tanks, heaters, meters, clothes line, garbage containers or other objects on the top of roofs since this is part of the façade of the house. These must be placed inside a closed area in a way that they are not visible to the neighbouring properties.

**2). -** Not to use stereos or sound systems with a volume superior to sixty decibels. Not to use any type of speakers and/or audio system that disturbs the neighbours. Exceptions will be made as long as a permit has been given by the Association of Joint-Owners of Flamingo Lakes Golf Resorts for a celebration and that so long as this event ends at an hour limited by that permit.

**3). -** The Condominium Owner must notify the Association of Joint-Owners of Flamingo Lakes Golf Resorts in respect of any event or festivity promoted by him or her within the condominium and that means access of several motor vehicles for this event.

**4). -** Since there are common areas, the garden areas should not be used, especially the ones contiguous to ones house, for the installation of games, tables, chairs, tents or other objects.

**5). -** Not to paint or glue advertisements, signs, tapestries, posters or similar on the façade of the house.

**6).-** Paint the roof of his or her house only with the range of colours authorized by the Committee for Architectural and Urban Supervision.

**7). –** Only to put in windows on the façade of the house of the kind authorized by the Committee for Architectural and Urban Supervision.

**8). -** Request authorization from the Committee for Architectural and Urban Supervision to plant trees and/or plants in the garden areas of the Residential Development.

**9). -** Not undertake any construction or place facilities, furniture and objects that obstruct the visibility of the façade.

**10).-** It will only be permitted to keep domestic animals in the dwellings of the Residential Development. The Joint-Owner will have to sign a letter with a photograph of the animal where he or she assumes responsibility for any harm or damages that the animal could cause to properties or people, and if it is considered necessary the granting of a bond be paid from a company legally authorized to provide it will be demanded, to cover payment for the mentioned harm or damages, at the amount fixed by the Association of Joint-Owners of Flamingo Lakes Golf Resorts. The possession of pets remains limited to those that can be inside the property or PRIVATE AREA of each Joint-Owner. This is on the understanding that the pets will be confined principally inside the properties and neither fed nor raised for commercial purposes.

It will not be permitted for authorized pets to roam around properties other than that of their owners. In the case of dogs, the Joint-Owner must agree to maintain their pet under personal control at all times while the animal is in common areas and/or areas off their own property by using a leash, and to clean up any sanitary waste the animal might produce. The Joint-Owner is also obliged to ensure that the animal not disturb the neighbours with noises such as constant barking. The Joint-Owner is also obliged to make sure their household pet has all the vaccinations required in order for them to safely co-habit with human beings.

**11).-** No trailer or commercial truck of any kind, nor any boat, boat trailer, camper van, house trailer or similar will be parked during the night on the property or adjacent areas of those properties without the express written consent of the company PYR, however they can be parked in completely closed garage areas. By “truck/lorry” is meant any motorized vehicle designed or used mainly to transport things other than passengers, except in the case of a pick-up truck used exclusively as a means of transportation. PYR will provide parking areas for the kinds of vehicles mentioned above and will adjudicate a tariff for the owner of the vehicle.

**12).-** Allow access to their house to the representative of the ASSOCIATION in order to verify the fulfilment of the norms contained in these regulations and in the Regulation on Design, Construction and Image, following the arrangement of an appointment with a minimum of seventy two hours notice.

**13).-** It will not be permitted to dry clothes outside unless they are not visible.
Parabolic antennas or other type of transmission devices will not be allowed unless they are kept from sight by any of the appropriate means that prevent these objects from being seen from adjacent properties. Television antennas or any other accessory that exceeds the height of the roof of a property will not be

allowed. Any installation must be approved in writing by the company PYR or by the Committee for Architectural and Urban Supervision.

**14).-** No sign will be placed on these properties or on any structure unless
The company PYR or Committee for Architectural and Urban Supervision allows, at its discretion, for such a sign be placed, as long as the location, characteristics, form and measurement of the sign is first approved. This condition is not applicable to signs “for rent” or “for sale”, which can be placed on any part of the property. Only one sign can be placed on each property and no sign can exceed the size in metres stated by the ASSOCIATION.

**15). -** The establishment of stores or temporary buildings or accessories without the written consent of the company PYR or the Committee for Architectural and Urban Supervision.

These norms are issued without prejudice to the authority of the company PYR or of the ASSOCIATION, in order to issue regulations or instructions that regulate the obligations of the Condominium Owners inside their dwellings, being authorized to modify the norms contained in this article.

**4.8. – NOMENCLATURE.-** The official corresponding number of each property must be placed in the garden or on the wall of the façade of the building in a visible form.

## CHAPTER V

## EDIFICES OF APARTMENT BLOCKS

**ARTICLE 5.1. – CHARACTERISTICS OF APARTMENT BLOCKS.-** Buildings in vertical condominium will have the following characteristics:

**1.-** The private areas or lots which are intended for construction of condominium buildings will be regulated by the same rules as those that apply to FLAMINGO LAKES GOLF RESORTS PHASE I.

**2.-** Each unit will have a representative of the administrator chosen by the Association of Joint-Owners and who will have similar duties as those of the administrator of all FLAMINGO LAKES GOLF RESORTS PHASE I.

**3.-** The representative of the administrator of each apartment block must be a property Joint-Owner with a stake in the building in question.

**4.-** This administrator will represent the group of Joint-Owners that live in the apartment block at the General Assembly of Joint-Owners of the development.

**5.-** The administration of these will be regulated by a regulation particular to the apartment block in question.

**6.-** The regulation of the administration of the unit of apartment blocks, mentioned in the previous article is found as an appendix to these regulations.

**7.-** The rights and obligations of each Joint-Owner or user of these buildings will be the same as that for any of the Joint-Owners of property across the development.

## CHAPTER VI

## SERVICES

**ARTICLE 6.1.– WATER WELLS.-** There are four zones of water collection in "Flamingo Lakes Golf Resorts" registered with the National Water Committee. These wells will supply the water to the condominium and these do not belong to the Joint-Owners. They are a part of the infrastructure and the areas will be given over to the operator of this supply.

**ARTICLE 6.2.– POTABLE WATER.-** The Joint-Owner can use the water supplied by the well via a complete hydro-pneumatic system and the installation of a pressurized network for drinking water in the condominium. Each Joint-Owner is obliged to cover the monthly fees for water consumption and these will be determined by the readings of the meters installed in each one of the PRIVATE AREAS OR LOTS. Should the service of drinking water and sewer system not supply water to the development "Flamingo Lakes Golf Resorts" will render accounts of general consumption of water directly with the national water commission.

Each Joint-Owner of the Residential Development of "Flamingo Lakes Golf Resorts" will have to contribute, in a timely manner, the payment of his or her own water consumption, otherwise, the Association can draw on its legal authority to cancel the service of that particular supply.

**ARTICLE 6.3.– IRRIGATION SYSTEM.-** The Irrigation system installed in the green areas of the condominium and access to the condominium, is undivided property of each one of the Joint-Owner, and is intended to water the common green and access areas of the Residential Development.

**ARTICLE 6.4.– TREATMENT PLANT FOR RESIDUAL WATERS.-** Each Joint-Owner is obliged to cover the monthly service costs for sanitary drainage, as they are determined to be by the Company operating that system and these will be included in the quota for drinking water.

**ARTICLE 6.5.– REFUSE COLLECTION.-** The provider or its subsidiary company, WILL BE IN CHARGE and will be responsible for the facilities, equipment, personnel and similar for the garbage and collection of wastes from each property. These will be collected by each property owner and placed in receptacles which will be found in access areas and in islands in communal areas. A monthly fee will be collected (taken into account within the communal costs) from the Joint-Owner or the user/lessee.

It will not be permitted on any lot, to burn or incinerate garbage, grass cuttings or cuttings from other vegetation. The accumulation of garbage or waste will not be allowed on any lot, unless it is kept in a container or containers supplied by the owner and not be visible from the street, and these must be adequately located

so as to facilitate its collection from the aforementioned container. If the owner or user lessee fail or refuse to maintain the plot without accumulation of garbage or other objects, the PYR company or the ASSOCIATION will be able to enter the property and remove them, with the cost of this being charged to the owner and without such access being taken as an invasion of private property. And the charge will become a debt against the property until it is paid in full.

## CHAPTER VII

## COMMON PROPERTY OF THE WHOLE CONDOMINIUM

**ARTICLE 7.1.- COMMON AREA PROPERTIES-** These are real estate properties owned by all the JOINT-OWNERS of the Residential Development "Flamingo Lakes Golf Resorts Phase I":

**1).-** The built or installed borders along the boundaries of the Residential Development.

**2).-** The administration office.

**3).-** The general vehicular roads of the Residential Development, as well as traffic circles, and furrows.

**4).-** The entire system of general hydraulic facilities that crosses the common roads of the development, both that of irrigation and that for potable water, as well as the hydraulic pumping equipment installed in the condominium.

**5).-** The facilities for pluvial drainage and underground ducts located in the common areas of the condominium.

**6).-** The sewage systems located in the common areas of the development.

**7).-** The general facilities for communication, telephony, and data installed and working in the Residential Development, supplied through underground ducts located under the common areas.

**8).-** The general underground electric system of the Residential Development that crosses the common areas of the same.

**9).-** The street lighting system located in the common areas of the Residential Development.

**10).-** The administrative office and service areas for employees as well as the maintenance and security booths.

**11).-** Those areas intended to be used for the parking of vehicles that cannot be parked in the private areas or lots and which are administrated by the company PYR or the Association.

**12).-** Also common property are those pieces of furniture, vestments and equipment bought with the common fund for administration and maintenance of the condominium.

All the areas that are common property of the condominium are located in the general plan of “Flamingo Lakes Golf Resorts” which was added to the appendix of the constitution deed of the condominium property regime.

**ARTICLE 7.2.– AREAS RESERVED FOR PLATINUM.-** These are areas whose use and access are reserved exclusively to PLATINUM:

**1).-** The golf course

**2).-** The conservation areas around the golf course.

**3).-** The club house.

**4).-** The artificial lakes within the development.

**5).-** The fire station.

**6).-** The golf cart workshop.

**7).-** The areas for formation of the biological channels.

**8).-** The flora and fauna conservation areas.

**ARTICLE 7.3.– INTENDED USE OF COMMON PROPERTIES.-** The common areas and properties will serve the condominium and the Joint-Owners in accordance with their ordinary characteristics and intended use, with the limitations imposed by the present regulations and the resolutions taken by the Association of Joint-Owners of Flamingo Lakes Golf Resorts.

**ARTICLE 7.4.– MODIFICATION OF INTENDED USE.-** The use of each area is fixed and can only be modified by the company PYR or by the Association previous to agreement by the Joint-Owner’s Assembly.

**ARTICLE 7.5.– PROHIBITIONS.-** Independently of whether or not a specific instruction regarding one particular common area is issued, the following general norms regarding their use are established:

1).- It is prohibited to install or use machines or motors other than those expressly authorized by the Association, which may produce noise or unpleasant smells.

2).- Block or obstruct the entrances to the Residential Development, and to block the roadways and other areas of circulation.

3).- Leave garbage/rubbish in any common area.

4).- Use any circulation area for activities that do not correspond with their intended use.

5).- Throw objects or liquids in common areas.

6).- It remains prohibited to play gambling games, prepare or ingest food and drinks, consume or use drugs, light bonfires, set off rockets, light fireworks, or engage in any other activity that threatens the security, health, and tranquillity of the owners and occupants of the development in the common areas.

7).- The carrying and use of firearms, pellet guns and bladed weapons is prohibited, except to the authorities and surveillance and security personnel of the Development, which are duly accredited and authorized by the relevant authority.

8).- It remains prohibited to destroy, knock down, or harm trees and rocks.

9).- To drive any vehicle at more than fifteen kilometres per hour on the roads of the development.

## CHAPTER VIII

## GENERAL SERVICES

**ARTICLE 8.1.– GENERAL SERVICES.-** The “Flamingo Lakes Golf Resorts” development will have the following general services, these services will include but are not limited to:

1).- Drinking water, sewage and pluvial drainage

2).- Surveillance and security

3).- Cleaning service in public areas

4).- Intelligent communications service that includes internal telephone service in the Residential Development, Internet service and data cable to install technological devices.

5).- Discreet street lighting in the general roads of the development.

**ARTICLE 8.2.– SURVEILLANCE AND SECURITY.-** Each Joint-Owner agrees to procure the security of their properties as well as that of the Development in general, cooperating jointly with the Association and its security personnel.

The surveillance and security service will include the following aspects:

1).- Restricted access to the Development.

2) - Control of visits, suppliers and domestic and construction workers employed by the Joint-Owners.

3).- Surveillance twenty four hours per day.

4).- Coordination with the police authorities.

5).- Regulation of vehicular and pedestrian traffic.

6) - Control of vehicles that circulate in “Flamingo Lakes Golf Resorts”

7).- Prohibition of access to the condominium to those suppliers or visitors that have violated the present regulations.

8).- The surveillance personnel is empowered to restrict access to those vehicles that obviously pollute the development. They must also carry out a detailed register of all visitors as well as of those people to whom they have denied access.

9).- The security personnel who participate in security patrols will not be permitted to enter into a property alone. They will only be able to enter a property when accompanied by the proprietor and if when doing their rounds they detect anything sinister they must ask for assistance from the chief member of staff and never act alone.

**ARTICLE 8.3.– MAINTENANCE BOOTHS.-** In the spaces assigned for this purpose, an area will be assigned for the installation of a booth where basic gardening equipment will be kept.

**ARTICLE 8.4.– SECURITY BOOTHS.-** A security booth will be installed at the entrance, so that the security personnel may control the access and exit of people to and from the Residential Development, by foot as well as by car.

**ARTICLE 8.5.– RESTRICTIONS.-** In all plots used for single-family living, the following free restrictions from all types of construction must be left as a minimum

a) A border of six (6) metres around all of its edges starting at the alignment with the road.
b) A border of four (4) metres in the posterior common boundary.
c) A border of one and a half metres (1.5) in the lateral common boundaries, for the length of the property.

All of the lots that have common boundaries with the main roadway of the development will have to leave a border free of construction of four (4) metres along the whole common boundary with that road.

## CHAPTER IX

## UNDIVIDED INTEREST

**ARTICLE 9.1.–UNDIVIDED INTEREST.-** Each lot and the part of the common properties that corresponds to it, form an indivisible whole, and so cannot be object, separately, of transfer, renting or partial encumberments. Each JOINT-OWNER of a PRIVATE AREA OR LOT will have a right over the property of the common areas and the real estate of the condominium, which will be proportional to the value that their unit of singular and exclusive property represents in relation

to the total value of the development. This right of co-ownership over the property and common areas is designated an undivided interest.

**ARTICLE 9.2.– UNDIVIDED INTERESTS IN APARTMENT BLOCKS.-** The common areas of each vertical condominium are exclusive to the proprietors of the departments that make up such buildings such as the parking areas of the building, the stairs, the cistern, the electrical infrastructures, etc.

## CHAPTER X

## COMMON EXPENSES

**ARTICLE 10.1.– GENERAL COMMON EXPENSES.-** These are general common expenses of "Flamingo Lakes Golf Resorts":.

**1).-** All expenditure related to conservation, reparation, addition, improved operation, substitution and replacement of all the common property and general services, including but not limited to water, sanitary, pluvial and communication services.

**2).-** The cost of insurance policies that are taken out by the ASSOCIATION in order to insure the "Flamingo Lakes Golf Resorts" development against various risks, such fires, hurricanes, earthquakes, robberies and so on. Also to be included in this cost, if the assembly decides so, is the establishment of a contingency fund.

**3).-** The repayments, whatever their legal nature, made to the ASSOCIATION that are intended for the Administrator, workers, employees, technicians, professionals and companies that render services to the administration, operation, functioning, maintenance and repair or replacement of the property, services, and general common facilities, including the contributions that were made towards for these means.

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**4).-** The cost of furniture, equipment, finishings, decoration, belongings, materials, implements, and other elements used for the conservation, reparation, addition, improvement, operation, service, functioning, substitution and replacement of all the common areas, properties and services.

**5).-** The expenses incurred to insure the stability, functionality, health, aesthetics and convenience of the common property, areas and services.

**6).-** The expenses incurred in relation to consumption of potable water, electrical energy, telephonic and other services that are used in or for the common areas.

**7).-** The expenses incurred in the provision of general services.

**8).-** Civil responsibility in whatever might be incurred via common property.

**9).-** Any other expense that the Assembly of Joint-Owners agrees to incur in common.

The ASSOCIATION will be in charge of the maintenance of the drainage system, street lighting, security, common areas and of any other commodity that is created for the benefit of the Joint-Owners or proprietors of the development, who agree to pay to the company PYR or to the ASSOCIATION a monthly fee. Joint-Owners or their representatives agree that these amounts should be paid periodically and will become an obligation against the property.

**ARTICLE 10.2.– CONTRIBUTION OBLIGATIONS.-** The common expenses and contribution to the established funds will be on the part of each one of the Joint-Owners from the moment in which they become owner of a property and received it, be it physically or virtually and that is when they must make the corresponding payment to the administrator, independently of the date upon which they register the properties.

It is the obligation of each property Joint-Owner to cover the monthly maintenance costs that apply to them, on the date that, in accordance with these regulations, is denoted by the administrator.

**ARTICLE 10.3.- FUNDS FOR COMMON EXPENSES.-** In order to cover emergency communal expenses and not for works that, whilst necessary, are not of an urgent nature, a common reserve fund will be established and must be the equivalent of three times the monthly payments of the latter.

**ARTICLE 10.4.- DETERMINATION OF THE FEES FOR COMMON EXPENSES.-** The fee that the Joint-Owner has to pay will be determined according to the following procedure:

**1).-** The administrator, or the company PYR will formulate a projection of annual, half-yearly, or quarterly budget, as is required, on common costs and expenditures which will be considered as approved and obligatory for all Joint-Owners. This estimate will be submitted for consideration by the General Assembly once that has been established, and the Assembly will make a decision on the matter, with the budget that it approves then becoming obligatory for all property owners.

**2).-** The total budget will be divided amongst the total number of square metres area of square meters of the private areas or lots, in order to obtain an common expenditure per metre squared.

**3). –** Each Joint-Owner will or proprietor will pay the amount corresponding according to the size in square metres of their plot.

**4). –**The yearly, bi-yearly or quarterly budget that applies to each Joint-Owner will be divided into monthly payments.

**ARTICLE 10.5. – FOR PROPRIETORS OF APARTMENT BLOCKS.-** In this case, the total of metres squared of the surface area of the private area or lot upon which the building is constructed will be divided amongst the proprietors of each unit of that building. Each owner is obliged to pay the quota of common expenses that corresponds to them.

**ARTICLE 10.6. – COMMON EXPENSES FOR PROPERTIES OF APARTMENT BLOCKS.-** In addition to the common expenses of the whole residential development, the proprietors of each unit will have to cover a monthly quota for the common expenses that are particular to the building in which they live.

This quota will be calculated in the same way as that which is deployed to calculate the common costs for the development as a whole.

**ARTICLE 10.7.– CASH SURPLUS.-** The remaining cash that is not used will be invested by the company PYR or by the ASSOCIATION on the terms and conditions agreed by them.

**ARTICLE 10.8.– DISTRIBUTION OF THE FEES OF A JOINT-OWNER IN ARREARS.-** When a JOINT-OWNER falls in arrears, the company PYR or the ASSOCIATION will distribute the due amount and of the ones that continue to become due among the other JOINT-OWNERS in the percentage that corresponds to their participation in the common costs and expenses of the condominium until such a time as the total amounts owed have been recovered. When this recovery is complete, the company PYR or the ASSOCIATION will reimburse the JOINT-OWNERS the amount that each one of them had contributed and the interest that they have paid, collected in the proportion that corresponds to each one.

**ARTICLE 10.9.– BOND.-** Each and every one of the JOINT-OWNERS are obliged to obtain and maintain active a bond from a Mexican company legally authorized to issue it, with the purpose of guaranteeing the punctual payment of the ordinary and extraordinary fees for common expenses, and all the obligations of monetary payment established in these regulations for interests accumulated through late payment, for damages and/or contractual penalties. This bond will be given in favour of the company PYR or the ASSOCIATION, for the amount of twelve monthly fees for administration and maintenance; the policy must be delivered to the director administrator of the condominium in the fifteen calendar days following the date of acquisition of a PRIVATE AREA OR LOT; upon the constitution of each house, or upon the date which the policy expires which had been issued for this purpose.

**ARTICLE 10.10.– ABANDONMENT OF RIGHTS.-** The Joint-Owners that abandon or yield their rights or renounce the use of specific property, services or common facilities, will continue notwithstanding, to be subject to the obligations that derive from the Law On Property and Condominium Real Estate Regime of the State of Yucatan , the articles of incorporation of the condominium property regime and these regulations, especially in respect of the payment of the fees that according to this chapter they must pay for the conservation, operation and maintenance of said properties, services and common facilities.

## CHAPTER XI

## NON-FULFILMENT AND SANCTIONS

The present regulations are for general and exclusive application to the owners of the properties and houses of “Flamingo Lakes Golf Resorts” and non-fulfilment of these same will entail sanctions as foreseen in this chapter.

**ARTICLE 11.1.– NON-FULFILMENT AND SANCTIONS.-** Under no circumstance will the right to enforce the restrictions, agreements, conditions, obligations, rights or powers contained in the present document be renounced, no matter the duration of said non-fulfilment.
When a Joint-Owner incurs any of the following defaults, they will have to pay a contractual penalty as specified in each one of the following points:

**1).-** Any construction begun upon a lot within the residential development without having been approved by the company PYR or the Committee for Architectural and Urban Supervision, will receive a notice of suspension. Also reason for issue of such a notice of suspension will be the non-fulfilment of the Construction Regulations, failure to obtain the municipal licenses and permits for the construction of a house on the PRIVATE AREA OR LOT or the modification of plans without prior approval. In this case, the Administrator will notify the joint-owner and will impede access to materials and construction personnel, and the owner who has infringed these regulations will pay a contractual penalty for each day that the non-fulfilment lasts.

**2).-** If notice of suspension is received and the owner ignores the indications of the company PYR or the Committee for Architectural and Urban Supervision, the latter will advise the relevant authorities to proceed to closure, indicating the motive and the date upon which the notice of suspension was given, and the offending property Joint-Owner will pay a contractual penalty for each day of non-fulfilment of their obligations, independently of any sanctions or fines that they may have been made subject to, in accordance with respective Laws.

**3).-** In the case that a construction work has been shut down, the simple fact of paying the corresponding fine or, where necessary, the fulfilment of the requirements for the lifting of the seal by the empowered authorities, will not be sufficient for re-initiation of that building work. For this to happen, the owner or contractor must obtain the approval for the lifting of the seal before being able to move forward with the project.

In the case that the company PYR or the Committee for Architectural and Urban Supervision judges that some of the obligations determined in the present regulations remain to be fulfilled, approval will refused for the termination and inhabitation of the work.

**4).-** The destruction, cutting down or damaging of trees without authorization will be sanctioned, as well as regulational restitution by means of a fine agreed by the company PYR or by the Committee for Architectural and Urban Supervision. Moreover, the administrator will be obliged to advise the relevant and empowered authorities in order that corresponding sanctions be applied to the offending

owner. Funds gained as a result of those fines will de deployed in the reforestation of common areas.

**5).-** In case of the initiation of construction of more than one house on a property, the offending Joint-Owner will pay a contractual penalty for each day that this infringement lasts, as agreed by the company PYR or the Committee for Architectural and Urban Supervision

**6).-** In case that an owner subdivides their PRIVATE AREA OR LOT in two or more lots without authorization of the assembly of Joint-Owners, the offending Joint-Owner will pay a contractual penalty for each day that the default lasts, as agreed by the company PYR or the Committee for Architectural and Urban Supervision.

**7).-** In case of use of the common areas of circulation for vehicles and pedestrians without adherence to the norms contained in the instructions issued by the company PYR or by the ASSOCIATION, the offending Joint-Owner will pay an equivalent contractual penalty for non-fulfilment or for each day that the infraction lasts.

**8).-** In case of acts or omissions that jeopardize the health, prestige or the good appearance of "Flamingo Lakes Golf Resorts", a contractual penalty will be paid for each day the infraction lasts.

**9).-** In case of failure to respect any of the norms of the instructions or regulations relative to the matters of surveillance and security, the offending Joint-Owner will pay a contractual penalty as agreed by the company PYR or by the ASSOCIATION.

**10).-** In case of failure to obtain and promptly deliver to the company PYR or the ASSOCIATION the bond related to the Funds for common expenses, the offending Joint-Owner of a PRIVATE AREA OR LOT will pay a contractual penalty for each day that this infringement lasts.

**11).-** In case that a Joint-Owner does not comply with or obey an agreement of the Assembly of Joint-Owners, a contractual Penalty will be paid, in the case that it is a default that is not prolonged.

**12).-** In the case that the Joint-Owner does not comply with one or several of the norms contained in the instructions issued by the ASSOCIATION they will pay a contractual penalty, for each day that the infringement lasts.

**13).-** In case of failure to promptly obtain from the lessee and/or users of their PRIVATE AREA OR LOT the agreement of the latter to stand as jointly responsible for the obligations of payment contained in the present regulations and their agreement to comply with each and every one of the norms contained in the same and the instructions issued by the ASSOCIATION, will pay a contractual penalty for each day that the infringement lasts.

**14).-** For cause of damage or use the areas of reserved use to the Administrator of the condominium, a contractual penalty for will be paid for each infringement as well as the harm and damages caused.

For the application of the fines given in this article, the concept that substitutes them will be used, and in the case that this is lacking, the assembly of Joint-Owners will determine the new penalties that will apply in the future.

**ARTICLE 11.2.– ARREARS IN PAYMENTS.-** Failure to make punctual payment of the quotas for the communal expenses of the condominium will lead to the payment of default interest to an amount calculated by means of doubling the interest rate of the Certificates of the Treasury of the Federation within twenty eight days or the nearest to this term, using the amount paid in the last bidding before the start of the arrears to calculate the amount due, dividing this into twelve, for each month of part of a month that the arrears remains, or the default interest rate that the company PYR of the ASSOCIATION determine.

**ARTICLE 11.3.– CIVIL EXECUTIVE.-** Entails execution or enforcement through civil executive channels, of the act in which is stated the notarised agreement of the Joint-Owners Assembly, and in its case, the agreement of the company PYR or the ASSOCIATION, in which have been determined the cost of the unpaid quotas, as well as the state of liquidation of debts, interests in arrears and contractual penalties charged to a Joint-Owner, the latter having been drawn up and signed by the Representative of the company PYR or of the ASSOCIATION, accompanied by the corresponding receipts for pending payments, issued and signed by the directive administrator of the condominium. These documents must be accompanied, along with a copy of the present document, for all relevant purposes, in which is stated the interest in arrears and the contractual penalty or penalties applicable to the Joint-Owner in question. If the interest in arrears or the corresponding contractual penalty were determined by the Joint Owners Assembly, by the company PYR or the by the ASSOCIATION then also included with the cited documents must be a copy of the records in which those agreements are stated. The copy of the cited record must be notarized before a public notary, this on the grounds of article 41, second paragraph, of the Law On Property and Condominium Real Estate Regime of the State of Yucatan, which states precisely:
*The quotas for communal costs that the proprietors fail to duly pay, will accrue interest at the rate fixed in the Regulation of Condominium and Administration, or those that are legal if this is lacking.*

*The record of the assembly in which is agreed the payment of anticipated amounts or in which the payments already made are distributed, notarised before a public notary, will serve as instrument by which they be requested during the executive-civil suit against the remiss.*

**ARTICLE 11.4.- OTHER DEFAULTS.-** Infringements distinct from those foreseen in the preceding article will have as a consequence the payment of a contractual penalty charged to the offending Joint-Owner, which will be determined according to the following terms:

**1).-** If the infringement is the late payment of an amount of money, the contractual penalty will be for each month or part of a month that passes between the date by which the payment was to have been made and the date at which the total payment of the obligation is made, until said penalty reaches one hundred percent of the obligation. This contractual penalty is independent of the interest in

arrears charges that such an infringement incurs, since these do not constitute a contractual penalty but rather the financial cost of the amount of money not duly paid, but it will not be applicable to the lack of payment of fees for common expenses.

**2).-** If the material effects of the default have a permanent duration that only disappears with fulfilment of the obligation, the offending Joint-Owner will pay a contractual penalty equivalent to one month of the general minimum salary currently in force in the economic zone to which belongs the State of Yucatan, for each 10 calendar days or fraction thereof that passes from the date of default on the obligation. This penalty will apply in the case of obligation to do or not to do.

**3).-** If the default causes material damages, the offending Joint-Owner will be obliged to pay the damages caused in value of replacement plus a contractual penalty for the value of the damages caused.

**4).-** If the default refers to a violation of norms relative to the utilization of areas of common use subject to instructions, and it refers to three defaults relative to the same common area or a default of serious nature, the company PYR or the ASSOCIATION will have the authority to Deny the use of the common area to the offending Joint-Owner. This deprivation of the use of a common area subject to regulations may be temporary or definitive, as agreed by the company PYR or the ASSOCIATION.

**5).-** As it refers to obligations to do or not to do, different from the ones mentioned above, as long as it does not concern the payment of money, the contractual penalty will be equivalent to a month of the general minimum salary currently in force in the economic zone to which belongs to the Municipality of Dzemul, Yucatan, in force at the date of the default, for each 10 calendar days that pass without the offending Joint-Owner fulfilling their obligation.

**ARTICLE 11.5.– PAYMENT OF PENALTIES.-** The payment of damages or of contractual penalties must take place on the date required by the administrator director of the condominium. The arrears in payment of the damages and contractual penalties set out in this section will accrue interest in arrears to the same amount as that in force for the payment of maintenance quotas for the time during which the infringement lasts.

**ARTICLE 11.6.– LEGAL ACTION.-** The company PYR or the ASSOCIATION has the authority to legally sue an offending Joint-Owner with the purpose of seizing enough properties or even the PRIVATE AREA, LOT OR HOUSE in payment of the contractual penalties and debts incurred by them, and in order to force sale of their singular and exclusive unit of property, even at public auction citing:

1). – The incurring of any of the defaults mentioned in the sections 1, 2, 4, 5, 6, 8, 12 and 13 and of the article 11.1 of the present regulations.

2).- Failure to make prompt payment of 3 or more ordinary monthly fees for the communal expenses of administration and maintenance of the condominium.

3).- Having incurred in arrears more that two months the payment of an extraordinary fee for administration and maintenance of the condominium.

4). - Having incurred three or more infringements of the norms of the present regulations, or of the instructions or regulations that have been issued based on this regulation.

5). - Incurring a default of a norm of the present regulations or of a norm of any other regulation of “Flamingo Lakes Golf Resorts”, when such default is serious in the judgment of the company PYR or of the ASSOCIATION.

## TRANSITORY PROVISIONS

**FIRST.-** This regulation will be annexed to the purchase contract taken out between “Platinum Yucatan Resorts, S.A. de C.V.” and the proprietor as an integral part of that contract.

**SECOND.-** Anything not foreseen in the present regulations will be resolved by the Company “Platinum Yucatan Resorts”, S.A. de C.V or the Association of Joint-Owners of Flamingo Lakes Golf Resort.

**THIRD.-**The appendices of the present regulations are an integral part of the same.

**FOURTH.-** The proprietor expressly confirms having read the content of these Regulations and having understood its legal reaches and resulting impacts.

**In completing and registering in the Public Registry of Property these restrictive agreements, the concessionaire, by these means, agrees that each one of the buyers of the lands described in the present document will acknowledge that they have received a copy of these restrictions and agreements contained in the present document.**
**Merida, Yucatan, _____2009**