

## **DEVELOPMENT AND BUILDING REGULATIONS**

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**ASOCIACION OF PROPERTY OWNERS OF CABO BELLO, A.C.  
DEVELOPMENT AND BUILDING REGULATIONS**

In accordance with Article 46 of the ASOCIACION DE PROPIETARIOS DE CABO BELLO, A.C. By-Laws, the Development and Building Regulations are based on the general urban planning criteria which have inspired the “Cabo Bello” tourist development and on the desire to preserve the singular beauty of the site and to encourage an integrated environmental design, in addition to achieving the mutual protection of the interests of both the present and future residents.

**I. Definitions and General Guidelines**

**Definitions**

“**ACC**” - Architectural Control Committee, a committee appointed by the Board of Directors, authorized to administer and enforce the Cabo Bello Development and Building Regulations.

“**APCBAC**” - Asociación de Propietarios de Cabo Bello, A.C.

“**Floor Space Ratio**” - means the ratio of property size (m<sup>2</sup>) to the total amount of all constructed area (m<sup>2</sup>) of all floors combined.

“**Commercial**” - means occupied with, or engaged in an activity or enterprise for the purpose of generating personal, professional, or business income, but does not include a home office without employees.

“**Condominium Property**” - means a lot or lots, which are zoned to be for multi family use as per the original Cabo Bello Subdivision, but does not include “multiplex” residences constructed prior to these Regulations coming into effect.

“**Construction**” - means the physical alteration of existing conditions to property and/or improvements to a lot by an owner or outside forces, but does not include landscaping, refurbishing and changes to interior spaces, if in compliance with approved uses and the intent of the Development and Building Regulations.

“**Empty Lot**” - means a property without any man made improvements to its natural state of topography.

“**Fence**” - means a structure for the purpose of separating one property from another.

**“Internal Regulations”** - means the official document adopted by the Association for the administration and conduct in reference to Cabo Bello Residents.

**“Lot Line”** - means the boundary of a lot or lots as shown on the official Cabo Bello subdivision plan and legally registered.

**“Main Road”** - or “mean road”- means the road carrying the most traffic as determined by the ACC.

**“Merged Properties”** - means two or more properties which have legally been fused to become one lot.

**“Occupancy”**- means taking possession and allowing an owner/ renter to occupy the building for the purpose of domicile after all conditions have been met and is so certified by the Municipality and the ACC.

**“Natural Terrain”** - means the undisturbed topography of a lot in its natural state without any fill or excavation.

**“Pergola”** - means a structure, attached or freestanding, open on all sides with a light transmitting cover to provide shading, but does not include a “palapas” with a solid roof.

**“Remodeling”** - means to alter a previously constructed structure, approved or not, but does not include interior re-finishing.

**“Retaining Wall”** - means a structure having a different ground elevation on both of its sides.

**“Service Contract”** - means the Agreement between the Association and an Owner to comply with all pertinent By-laws, Regulations, Orders and Guidelines of conduct in affect at the time.

**“Setback”** - means the horizontal distance that a building or structure must be from a specified lot line.

**“Single Family Dwelling”** - means a residence suitable for one family containing only one kitchen facility, but may include maid quarters of a specified maximum size consisting of one room and bathroom.

**“Site coverage”** - means the horizontal area at grade of those portions of a lot that is covered by buildings and structures exclusive of perimeter structures, such as walls or fences not exceeding 2.0m in height.

**“Start of Construction”** - means the date and time when the physical alteration and/or improvements commence by an owner or outside forces, but does not include preliminary exploratory work to assess options for the alteration of existing conditions and improvements to property or existing structures.

**“Structure”** - means a construction, or portion there of, of any kind that is fixed to, supported by or sunk into land, but excludes landscaping or paving at ground level.

**“Subdivision”** - means the legal separation of one property into two or more.

**“Subterranean”** - means a structure below the natural terrain.

**“Term of Construction”** – means the time allotted by the municipality to complete the construction project before another Building Permit is required. The ACC gives the owner 60 days from the date the ACC approved the plans for the owner to obtain the Municipal Building Permit. If the owner doesn't obtain his Building Permit within this time then he must resubmit his plans to the ACC for re-approval. The owner has 2 years from the date of the original Municipal Building Permit on NEW construction and 1 year on a Remodel to complete construction in order to receive their Construction Deposit back. If construction is not completed within this time then the construction deposit is not returned.

**“Termination of Construction”** – A document that the owner requests from the municipality stating that the construction is complete. The ACC also has to complete Inspection number 6. The house can not be occupied before receiving both the inspection report and this document.

**“Zero Elevation Point”** - means the point established by the ACC at street level from which all height measurements are taken.

### **General Guidelines**

ART 1        The ASOCIACION DE PROPIETARIOS DE CABO BELLO, A.C. (APCBAC) enforces the building regulations which are obligatory for any owner of any lot within the Cabo Bello tourist development. The Committee of Architecture Control (ACC) is a standing committee defined in the By-Laws, Chapter 5, Article 46. If the APCBAC deems necessary, an outside professional will be hired at property owners expense for consultation, plan review, and construction inspections.

ART 2 The Cabo Bello Development and Building Regulations must be seen as an addendum to the Los Cabos and State Building Regulations and Los Cabos Urban planning plan regulations. The individual, individuals, or corporations who desire to take any action that is described in the following list requires the written approval of the ACC.

1. Subdivision or merging of properties.
2. New construction.
3. Structural, aesthetic, volumetric, or other external changes to existing properties.
4. Construction changes that imply the change of a single family dwelling.
5. Any changes to the exterior of the building affecting form or color.
6. Subterranean constructions.
7. Roofs, pergolas, canvas, or palapas in open space.
8. Signs and posters.
9. Changes to the natural terrain of the property.
10. Construction or modification of fences or retaining walls.
11. Planting or vegetation, which may obstruct the views of neighbors.
12. Cisterns, reservoirs, swimming pools and treatment plants.
13. Modifications or additions to already approved plans.

ART 3 Cabo Bello is zoned a residential development; therefore, only plans for single family residences may be applied for and approved. Multiple dwellings can be developed on condominium lots registered on the Master Plan of Cabo Bello. Condominium or multiple dwelling plans must comply with the APCBAC Development and Building Regulations and submitted for review and approval. Commercial developments on commercial lots within Cabo Bello must submit plans for review and approval. Duplexes are no longer permitted to be built.

ART 4 Modification of any residence in Cabo Bello with the intent to convert it into a multiple family dwelling, into commercial use, or creating a self-sufficient unit inside a residential dwelling is prohibited, and subject to the fines provided hereunder and to civil prosecution.

ART 5 Any Architect or Builder interested in architectural design or construction of projects within Cabo Bello, must register with the APCBAC to be included in the Cabo Bello Professional Index.

Requirements for Architects:

- \* A copy of his (her) Federal, and State Registration.

Requirements for Builders:

- \* A copy of his (her) Federal, State, and County Registration.

- ART 6 Owners must select a Licensed Architect and Builder who is registered in the Cabo Bello Professional Index.
- ART 7 Owners, architects, builders, and sub-contractors are responsible for observing all APCBAC Development and Building Regulations.
- ART 8 Prior to commencing construction, or modifying any existing buildings, the owner, architect, or builder must obtain written approval from the ACC. Architects, builders and owners are jointly responsible for any violation of these regulations.
- ART 8a All wood construction is prohibited on exteriors, where wooden structural elements are required. It will be approved as long as is only for interior use and has been structurally calculated by an licensed engineer (This doesn't apply to pergolas or palapas). All metal stud construction is prohibited in any structural parts of the building. This restriction also applies to the roof. They may be used for interior non-load bearing partition walls.
- ART 8b It is prohibited for the owner, builder, DRO or legal representative to go behind the back of the ACC and meet with the Dept. of Urban Planning in order to circumvent our regulations. In the event that this occurs, the ACC has the right to fine the owner up to \$ 1,000.00 usd. If this occurs during a construction project, then the fine must be paid in full first before resuming construction. It can not come from the construction deposit.

## II APPLICATION FOR CONSTRUCTIONS OR REMODELING

- ART 9 It is the responsibility of the owner, architect and/or builder, DRO, subcontractors or the legal representative to read, understand and to follow the Cabo Bello Development and Building Regulations, the Internal Regulations and our By-Laws.

The owner must submit the Cabo Bello Construction Application, in duplicate along with a stamped registered copy of their Escritura or Fideicomiso showing them as the lawful owners, to the Cabo Bello Office. A Promise to Trust, Land Contracts, or Purchase Agreements will NOT be acceptable.

The application must be accompanied with two copies of the proposed construction plans signed by the owner, the architect, and, if requested, the builder engaged to construct the building. A design orientation meeting with the ACC is mandatory. A discussion of what is required and expected from the owner; architect and/or builder will take place during this meeting. Additions or substantial changes planned to an existing Residence are subject to a review, if the existing conditions conform to the present

Development and Building Regulations. Prior to the approval of the changes the ACC will request that existing conditions be rectified to conform.

Any previously approved plans that have expired must be resubmitted under the current building regulations.

The owner has 60 days from the date of ACC approval of the plans to obtain the municipal building permit. After 60 days the plans must be resubmitted to the ACC for approval. If the building regulations have been changed or updated, the ACC reserves the right to enforce the new regulations.

SEE NEXT PAGE

**ART 9a      ARCHITECTURAL PLAN APPROVAL PROCEDURE**

**1. Preliminary Plans Review**

**A. 1st Project Review - (\$ 100 USD per review)**

**Reviewed By      Date**

1. Insure that all HOA dues, fines, assessments are current.
2. Deposit 100.00 USD
3. Verify Deposit
4. Ask for elevation point
5. Submit 2 sets of plans in Tabloid size with current  
 Topo, Site Plan w/setbacks, Area Calculations,  
 Elevations, Sections with Natural Terrain, Facades and  
 3D Renderings (Recommended)
6. Submit Ecology Permit (Recommended, not required)


**B. Additional Review - (\$ 100 USD per review)**

1. Deposit \$ 100.00 USD
2. Verify Deposit
3. Submit 2 sets of plans in Tabloid size with current  
 Topo, Site Plan w/setbacks, Area Calculations,  
 Elevations, Sections with Natural Terrain, Facades and  
 3D Renderings (Recommended)


**C. Preliminary Plans Approval**

1. ACC will stamp the Preliminary plans with an approval stamp with the date and name of reviewer. The stamp will state that the preliminary plans are approved as submitted but are NOT APPROVED FOR CONSTRUCTION. This will speed up the final review process.

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3. Municipal Plan Approval

Reviewed By \_\_\_\_\_ Date \_\_\_\_\_

- A. Submit Plans to Obrus Publicas for Approval.
  - 1. Submit 5 sets of the ACC approved and stamped plans for Municipal approval.
  - 2. Pay required fees.
  - 3. Upon Municipal approval, return 1 official stamped and signed set to the ACC at the CB HOA office for our records.
  - 4. Submit final drawings on a CD for our records.

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4. Requirements needed before the start of any site work or construction

SEE ART 16 on Page 11

ART 10 All projects must have an official survey done by the municipality before approval of the preliminary plans. This will include the limits of the lot as provided by Deslinda Catastral. In addition the owner is responsible for having topographical survey by a licensed surveyor in its natural state prior to construction. Copy of both surveys will be given to the ACC. Pictures of the lot and surrounding area will be photographed in its natural state, prior to any demolition or construction activity on the lot and provided to the ACC.

The ACC, Board of Directors or the CBPOA, will not be responsible for the accuracy of any surveys. The owner, builder or legal representative must mark the lot lines and the building or house lines on the lot before approval of preliminary plans.

ART 11 In cases where the present regulations make it impossible to comply due to the profile and /or the topography of the lot, the streets surrounding the property or any other situations that do not fit the Regulations or their intent, the owners and/or Architect MUST apply for Variance prior to submitting designs to receive permission to deviate from the normal requirements. Note, that the ACC will not consider variances for “convenience”, “view issues” or the lack of willingness to change the design

Following the application, a design orientation meeting must be held to review the items, which may include:

- 1. The lot setbacks, height restrictions, and resolution if a special easement is applied for.

2. If the ACC concludes that the request is too complex, the ACC may call on the Board of Directors of the APCBAC to resolve the situation.
3. In situations where deviations of Item # 2 above are involved, the property owner will be required to erect string lines representing the building footprint, heights, and setbacks of the construction. Such string lines shall be erected and left standing for a maximum of thirty days, in order for effected neighbors to express an opinion of the deviation to the ACC. The ACC shall attempt to mediate any conflict, and will make the final decision prior to issuing final approval of the project.
4. Before any architectural design takes place, a design orientation meeting is mandatory between a representative of the ACC, the lot owner, and the owners design architect.

ART 12      Prior to the approval of the plans,. The Owner will sign the APCBAC Service Contract, a current copy of the Cabo Bello Development and Building Regulations. At this time, all past due and present annual dues must be paid in full. Upon submitting plans for approval, the prescribed Construction Fees, Deposits, Fines and Assessments must be paid in full to the APCBAC, as stated in Section III of this document.

ART 13      The conceptual plans must be presented on blueprints to the scale of 1:100, 1:50, or 1:75 respectively and shall include:

1. Site plan with property and building dimensions, showing mandatory. Set-backs and buildable area limits (1:100, 1:50, or 1:75)
2. Floor plan (1:50 or 1:75)
3. Roof plan (1:50 or 1:75)
4. Facades and side views indicting the building height reference elevation, the street levels and the original levels of the land, as well as their relationship to the neighboring lots and structures (1:50 or 1:75)
5. Sections (1:50 or 1:75) with the topography profile of the lot.
6. Location of the Sewage treatment plants according to local and/or Municipal regulations, unloading points, and leaching well or field.
7. Location of the mandatory 10m<sup>3</sup> potable water cistern.
8. A copy of the water contract.
9. Professionally prepared topographical survey of the lot (1:100)
10. Lot drainage plan showing impact of pluvial water on adjacent properties.
11. Location of covered and gated trash enclosure.
12. Location of all exterior structures, exterior appliances, gas tanks, and satellite dishes. All such equipment must be enclosed or placed out of view (1:100)
13. Site Coverage and Floor Space Ratio Calculation

ART 14 The ACC will review the submitted material and will advise the owner of preliminary approval or rejection. The ACC may issue preliminary approval of conceptual drawings once the project conforms to regulations.

ART 15 Once preliminary approval has been obtained, the owner shall present three (3) sets of construction drawings. One set will be retained by the ACC, two sets will be returned to the Owner, of which one set shall be used to obtain the permit from the municipality of Los Cabos and one set to be kept on site. The Builder will deliver the plans stamped by the Municipality and a copy of the Construction license to the ACC.

**The approval obtained from ACC does not in any way permit the construction to begin. Any modifications made to the plans after their approval MUST be resubmitted to the ACC for approval before any changes can be made, and will be subject to additional review fees.**

ART 16 Prior to the start of site work or construction, the following items must comply with and submitted to the Cabo Bello ACC:

1. Final approval of drawings and documentation by the ACC signed by Owner.
2. Copy of Cabo Bello Building Regulations signed by Owner.
3. Building license issued by the Municipal Authorities.
4. A water contract is required before the approval of the final plans. However the water meter is NOT to be installed before the last inspection by the ACC.
5. Installation of electric meter.
6. Delivery and installation of approved sanitation facility for on site construction workers.
7. In case of lot clearing, owner must submit a plan to the Department of Ecology and obtain a permit. Copy of permit must be given to the APCBAC.
8. Payment of Annual lot dues, Construction fees, Construction deposit, Electrical Assessment, Road Maintenance Assessment, Water Cisterna Assessment and any other fees that may have been assessed is paid to the APCBAC.
9. Plan of ingress and egress for construction vehicles in Cabo Bello, and designated parking for construction vehicles will be defined by the APCBAC or ACC.
10. A sign 60cm X 60cm must be on the lot showing the name of the owner, lot number, architect, builder, and building license.
11. All job sites must have a green mesh screen around the perimeter of the lot. The screen will be approved by the ACC prior to installation for the protection of neighboring buildings and landscaping. It is the responsibility of the owner, builder or legal representative to maintain the screen in good condition throughout the construction. All materials must be kept within the screened area.

12. Signed Cabo Bello Service Contract for services rendered by the association.
13. Signed Internal Regulations.

ART 16a      Documentation to be keep in Project Book in HOA Office

1. Copy of all ACC stamped approved plans and drawings signed by owner.
2. Copy of all Municipal stamped approved plans and drawings signed by owner.
3. Copy of Cabo Bello Building Regulations signed by Owner.
4. Copy of Building License.
5. Copy of Ecology Permit.
6. Copy of water contract and verification of meter installation.
7. Copy of electric contract and verification of meter installation.
8. Date of delivery of sanitary facility.
9. Date of delivery of temporary water cistern.
10. Verification that all dues, construction fees and assessments have been paid.
11. Copy of the Plan of Ingress and Egress for construction vehicles.
12. Picture of sign with Building License
13. Picture of mesh protection screen and date installed.
14. Copy of and fines assessed to the owner and/or builder.
15. Copies of ALL correspondence between ACC, HOA Office and the Owner/Builder/Architect.
16. Copies of all requests for project modifications and dispositions thereof.
17. Originals of the 6 Project Inspections signed and dated by inspector.
18. Copies of any other documentation pertinent to the outcome of the project.

### **III                    MANAGEMENT OF EXPENSES**

ART 17            The amount of fees, deposits, and assessments may change periodically without notice. Construction fees and deposits will be managed separately from the Association treasury for the specific uses as described. Refer to the following Schedule for the applicable amounts and conditions applicable at the time of service.

The ACC reserves the right to increase the Construction Deposit up to \$20,000.00 usd based on the experience of the builder, owner, DRO or on the reputation or record of the builder, owner or DRO.

If the owner replaces the builder, DRO, or architect during the construction, then the ACC reserves the right to increase the construction deposit based on their reputation, experience or record.



All modifications to any previously approved construction projects will require ACC approval prior to starting work. Any review of plans that is necessary will require a fee of \$100.00 usd to be paid first.

The ACC reserves the right to charge fees for small projects as it see fit. This could be for landscaping or painting, etc.

SEE NEXT PAGE

ART 18 **SINGLE FAMILY HOME** - on a Residential lot - Fees, Deposits,  
and Assessments for Construction:  
(Quoted in USD or equivalent amount in Mexican pesos)

Approval of Plans Fee	\$300.00
(for two sessions, \$150 per additional session)	
Registration of Plans Fee	\$200.00
Construction Inspection Fee	\$600.00
(for 6 Inspections, additional inspections \$100.00 each)	
Road Maintenance Assessment	\$2,500 .00
Main Cistern Assessment	\$1,000.00
Electrical Assessment	\$400.00
Construction DEPOSIT	\$5,000.00 or as ACC requires.

Saturday Construction Fee for concrete work after 1:00 pm (temporary one day only, fee applies to pumping concrete after 1:00pm, two hour maximum) \$100.00 per hour. Obtain permit at least one day in advance from the Cabo Bello Office.

ART 19      **MULTI RESIDENTIAL-** Fees, Deposits, and Assessments for Constructions per the attached Schedule.

(Quoted in USD or equivalent amount in Mexican Pesos)

Approval of Plans Fee	\$ 500.00
(for two sessions, \$250 per additional session)	
Registration of Plans Fee	\$ 200.00
Construction Inspections Fee	\$ 600.00 per unit
(for 6 Inspections, additional inspections, \$100.00 per unit)	
Road Maintenance Assessment	\$ 2,500.00, plus \$4.00
per square meter of construction.	
Main Cistern Assessment	\$1,000.00 per unit
Electrical Assessment	\$ 400.00 per unit
Construction DEPOSIT	\$5,000.00, plus \$4.00 per
square meter of construction.	

Saturday Construction Fee for concrete work after 1:00 pm applies, as stated in ART 18.



ART 20      **COMMERCIAL PROPERTY** - Fees, Deposits, and Assessments  
for Construction as per the attached Schedule:  
(Quoted in USD or equivalent amount in Mexican Pesos)

Approval of Plans Fee	\$ 500.00
(for two sessions, \$250 per additional session)	
Registration of Plans Fee	\$ 200.00
Construction Inspections Fee	\$ 600.00 per unit
(for 6 Inspections, additional inspections \$100.00 per unit)	
Road Maintenance Assessment	\$2,500.00 plus \$ 4.00
per square meter of construction.	
Main Cistern Assessment	\$ 1,000.00 per unit
Electrical Assessment	\$ 400.00 per unit
Construction DEPOSIT	\$ 5,000.00 plus \$ 4.00
per square meter of construction.	

Saturday Construction Fee for concrete work after 1:00pm applies as stated in ART 18.

ART 21 **REMODEL or MINOR ADDITIONS** to a Residence, Condominium, or Commercial Property – Fees, Deposits and Assessments as per the attached Schedule. **(Includes pool addition, septic system renewal or change)**  
 (Quoted in USD or equivalent amount in Mexican Pesos)

Remodeling Assessments: The assessments for the first remodel will be \$850.00 usd. The assessments for additional remodeling within two years from the date the first ACC approval will be \$ 350.00 usd.

**Condominium, or Commercial Property: (includes pool addition) see I, General Guidelines, ART 2.**

Approval of Plans Fee	\$ 100.00 (for one session)
Registration of Plans Fee	\$ 100.00
Construction Inspections Fee	\$ 150.00
	(for 3 Inspections, additional inspections \$50.00 each)
Road Maintenance Assessment	\$ 500.00
Construction DEPOSIT	\$ 2,500.00

Saturday Construction Fee for concrete work after 1:00pm applies as Stated in ART 18.

ART 22      **The total, or its proportional amount of the Construction Deposit will be refunded within ten (10) days upon compliance with the following:**

1. The completion of the all construction per the approved plan.
2. The Interior/Exterior Final Inspection # 6 by the ACC is completed.
3. Termination of construction, construction facilities removed, restoring the neighboring lots and access ways to their original condition, clearing of all construction debris, removal of all construction materials and completion of retaining walls including approved finish of both the interior and exterior sides of all walls and the painting if applicable of both sides.
4. Receipt of copy of the Municipal Occupancy Document by the ACC and Inspection # 6 completed and approved.
5. SEE ART 54

The Construction Deposit does not, in any way, release the owner from additional liability, payments, or costs incurred by the ACC in order to enforce compliance with these regulations. The amount of deposit may change at any time without notice.

#### **IV                    DESIGN REGULATIONS FOR RESIDENTIAL HOUSES**

The owner, through his licensed architect and builder, must observe the following during the design process:

ART 23      Consider the view from adjoining lots towards the ocean. Changing the natural terrain by applying landfill or altering the topography in any other form is prohibited, unless specific permission in writing is given by the ACC.

ART 24      One single family house per lot is permitted. Property owners may elect to legally fuse of two or more adjacent lots creating one large lot for a single residence. In this instance, and upon notification to the APCBAC, the lot shall be considered one lot, and subject to single residential house dues, fees, and assessments. The designation of this lot shall remain until any subsequent notification of modification by the property owner. A copy of an Escritura or Fideicomiso is required to provide proof of the fusion prior to the start of any construction. Only two levels above the natural terrain are permitted. However, an underground level may be accepted for a garage, storage, and a maid's quarters, 15m<sup>2</sup>, maximum in size, consisting of one bedroom and one bathroom. The ACC shall determine permissibility of these requests on a case by case basis, and upon proper application. Consider the ratio of the size of the house in relationship to the size of the property.

The maximum allowable floor space ratio shall be 1:1 (1m<sup>2</sup> of construction to 1m<sup>2</sup> of lot size – all floors combined).

ART 25      The height of the construction shall not exceed 7.50 meters above the zero elevation point. The zero elevation point must be visible at all times through the construction period. It is the responsibility of the builder to insure that it visible. Requests for variances in Building Height will not be accepted by the ACC. A zero elevation point for an individual lot is to be delineated by the ACC **before** commencement of design or construction, in accordance with the following rules:

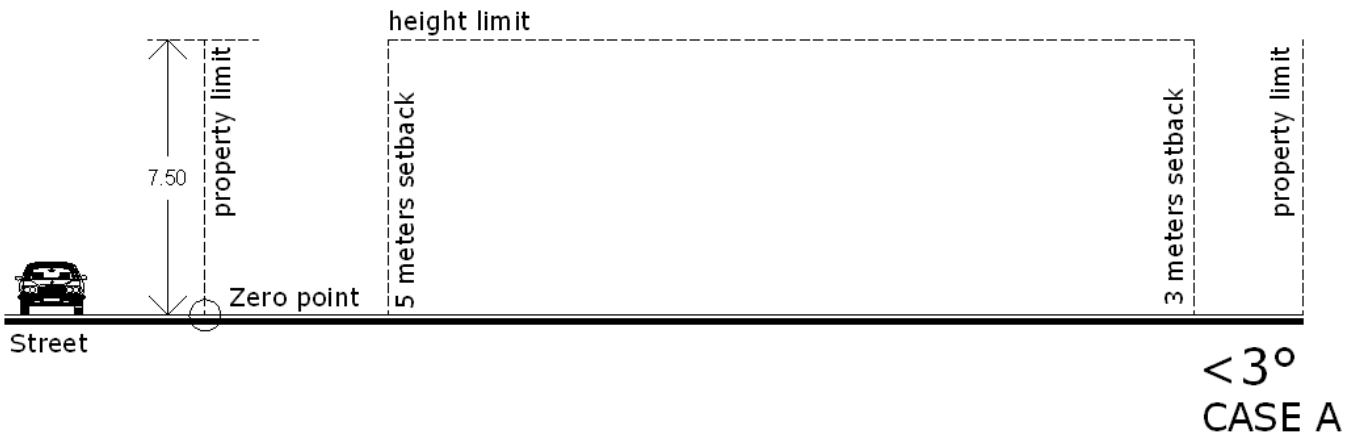
SEE FOLLOWING PAGE

## CONSTRUCTION DIAGRAMS and DESCRIPTIONS

### LOTS WITH FLAT TO 3 DEGREES OF INCLINATION

#### CASE A – 1 of 8

On lots where the inclination is less than 3 degrees in any direction, the Zero Elevation Point will be defined as the mean height of the street running along the front of the lot. The maximum allowed height of construction shall not exceed 7.50 meters over Zero Elevation Point.

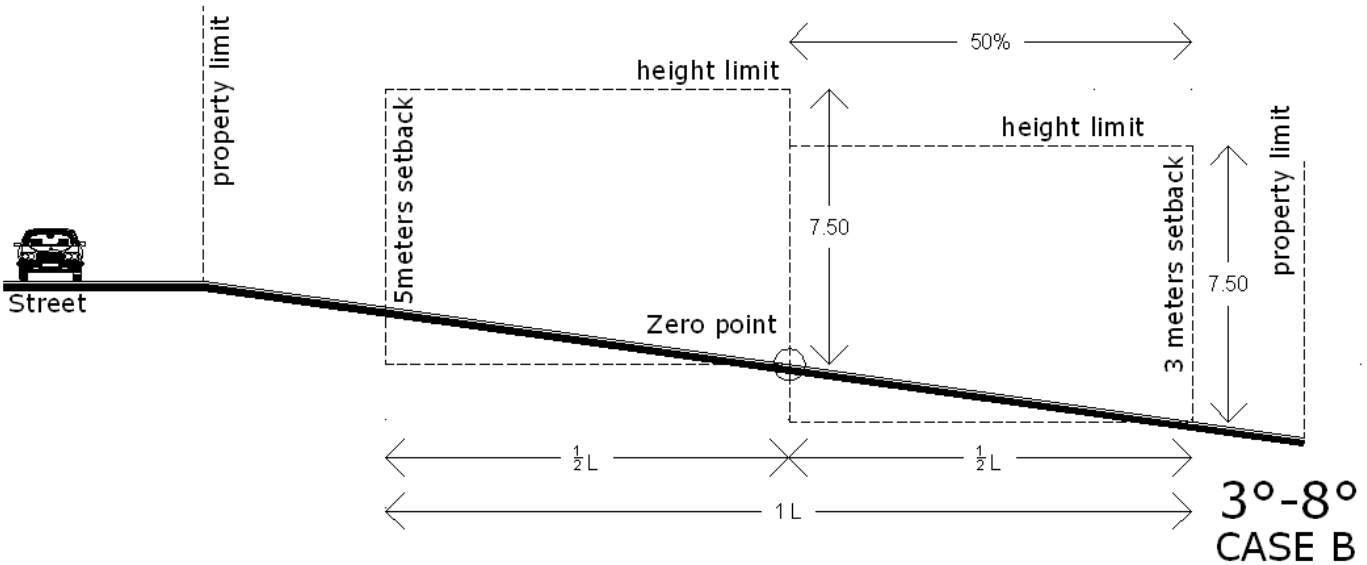


**LOTS WITH DESCENDING INCLINATION**

**CASE B – 2 of 8**

Lots between 3 and 8 degrees of inclination

In lots with a descending inclination between 3 and 8 degrees, the Zero Elevation Point is determined on the mean of the natural terrain of the lot, 50%, within the setbacks. The maximum allowed height of construction on the front or higher 50% of the lot will be 7.5 meters from the Zero Elevation Point maintained level to the front 50% of the lot to the 5 meter setback. The maximum allowed height of construction on the lower or rear 50% of the lot will be 7.5 meters measured at the lower setback and maintained level to the mean of the construction, 50%, of the lot within the setbacks. Construction will follow the natural terrain. Construction will not exceed 7.5 meters over the natural terrain.

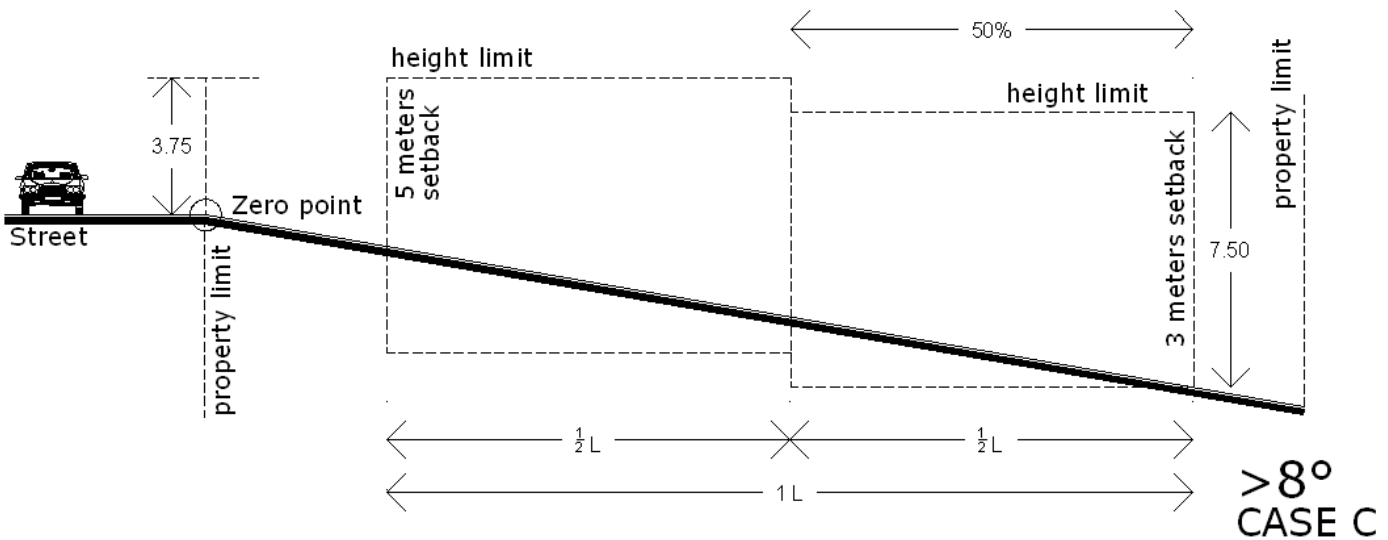


## LOTS WITH DESCENDING INCLINATION

### CASE C – 3 of 8

Lots over 8 degrees of inclination

In lots with a descending inclination of more than 8 degrees, the Zero Elevation Point will be defined as the mean height of the street running along the front of the lot. The maximum allowed height of construction in the front or high part 50% of the lot is 3.75 meters measured from the Zero Elevation Point and maintained level to 50% of the lot between the setbacks. The maximum allowed height of construction on the rear or lower 50% of the lot will be 7.5 meters measured at the rear or lower setback and maintained level to the center point, 50% of the lot between the setbacks.

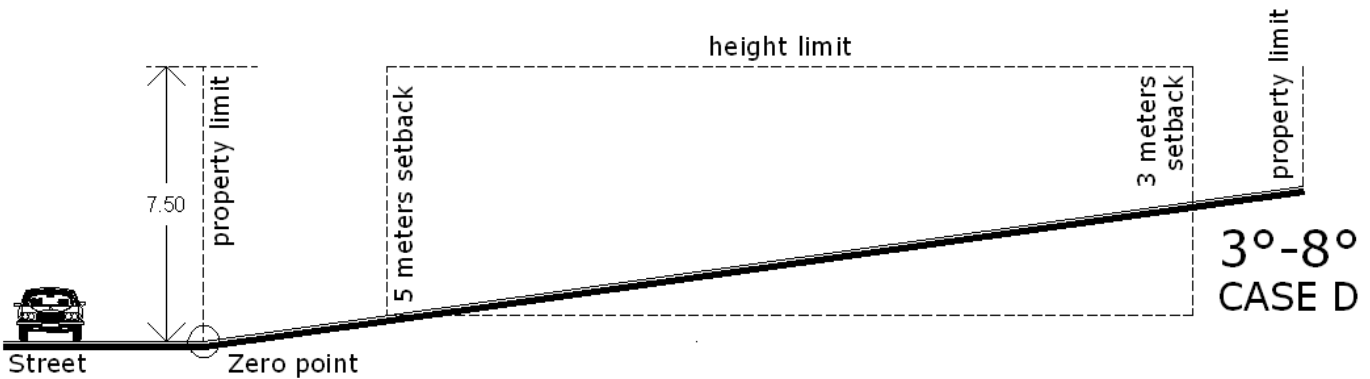


## LOTS WITH ASCENDING INCLINATION

### CASE D – 4 of 8

Lots between 3 and 8 degrees of inclination

On lots with an ascending inclination between 3 and 8 degrees, the Zero Elevation Point will be defined as the mean height of the street running along the front of the lot. The maximum allowed height of construction will be 7.5 meters from the Zero Elevation Point and maintained to the rear setback.



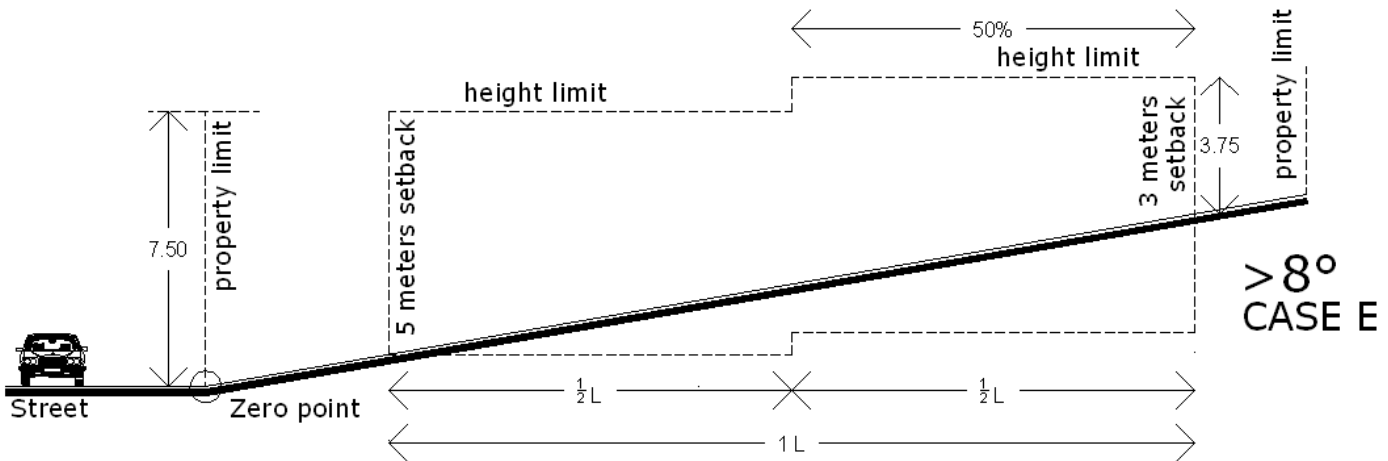


**LOTS WITH ASCENDING INCLINATION**

CASE E – 5 of 8

Lots over 8 degrees of inclination

On lots with an ascending inclination that is above 8 degrees, the Zero Elevation Point will be defined as the mean height of the street running along the front of the lot. The maximum allowed height of construction on the front or lower 50% of the lot is 7.5 meters measured from the Zero Elevation Point and maintained level to 50% of the lot between the setbacks. The maximum allowed height of construction on the rear or higher 50% of the lot will be 3.75 meters measured at the rear or high setback and maintained level to the center point, 50% of the lot between the setbacks. Construction will not exceed 7.5 meters over the natural terrain.

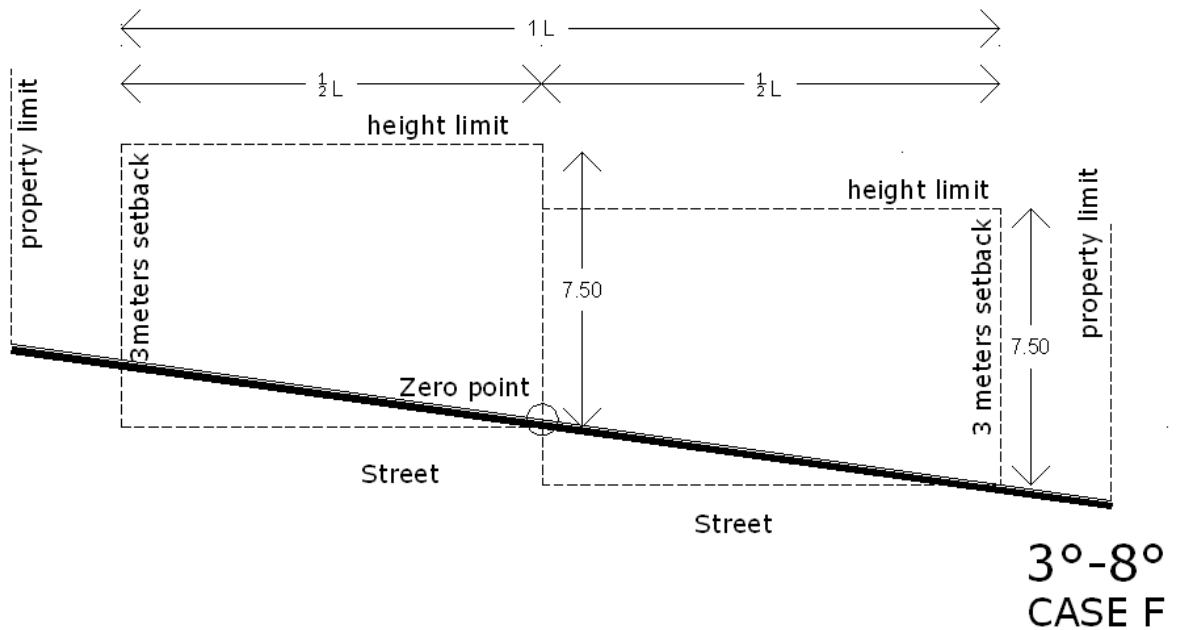


**LOTS WITH STREET ON SIDE FOLLOWING OR PARALLEL TO THE INCLINATION**

CASE F – 6 of 8

Lots between 3 and 8 degrees of inclination

In lots with an inclination between 3 and 8 degrees, the Zero Elevation Point will be defined as the mean height of the street running along the front of the lot between the setbacks. The maximum allowed height of construction on the high side of the lot will be 7.5 meters from the Zero Elevation Point maintained level to the high side to the setback. The maximum allowed height of construction on the lower side of the lot will be 7.5 meters measured at the lower setback and maintained level to the center point, 50% of the lot between the setbacks. Construction will follow the natural terrain and start 5 meters from the side street. Construction will not exceed 7.5 meters over the natural terrain.

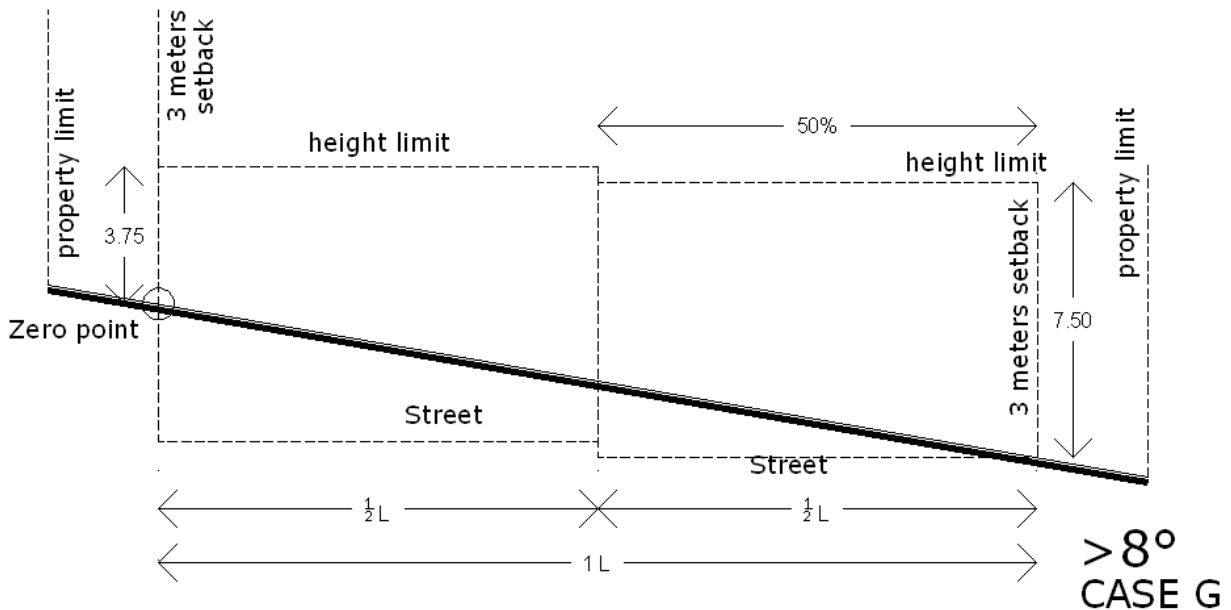


**LOTS WITH STREET ON SIDE FOLLOWING OR PARALLEL TO THE INCLINATION**

CASE G – 7 of 8

Lots over 8 degrees of inclination

On lots with an inclination that is above 8 degrees, the Zero Elevation Point will be defined as the height of the natural terrain at the upper setback. The maximum allowed height of construction on the high side of the lot will be 3.75 meters at the Zero Elevation Point and maintained level to the center point of the lot between the setbacks. The maximum allowed height of construction on the lower 50% of the lot will be 7.5 meters measured at the lower setback and maintained level to the center point, 50%, of the lot between the setbacks. Construction will follow the natural terrain and start 5 meters from the side street. Construction will not exceed 7.5 meters over the natural terrain.



## **LOTS ON EAST OR WEST SIDE OF DEVELOPMENT**

CASE H – 8 of 8

Lots which border the east or west side of the development.

West Side Lots:

This case affects the lots which back up to the west side of the Cabo Bello development fence line. In this instance the rear set back is not in effect and construction is permitted on the back property line. Front and side setbacks are still in effect.

East Side Lots:

On the lots bordering the old Calinda Hotel road, Paseo Cabo Bello, east side, the construction of a pergola or palapas on the roof may be approved if special written permission is granted in advance of the start of construction.

NO DRAWING OR DIAGRAM

ART 26 No grading or filling of lots is allowed without PRIOR written approval of the ACC and the Board of Directors

The use of natural grass is not authorized. We live in a desert and water is very scarce and the supply is limited. Landscaping should be in the form of desert vegetation.

It is highly recommended that the cutting and shaping of granite and marble be done at the fabricators. If granite, marble and tile must be cut for the interior of the residence it must be done in the house or in an enclosed area like a garage. The fine dust created by the cutting is hazardous and not good for the environment. It effects neighbors, pools and vegetation and is carried by the wind into adjacent homes. Complaints by neighbors will result in strict enforcement of this rule.

ART 27 Front yard setback: the front of a lot requires a five (5) meter strip free of structures of any type. A maximum of 75% of that strip may be used for parking. Vertical structures are prohibited in this area with the exception of an open pergola to provide a shade over the parking area the remaining 25% is to be used as garden area with vegetation, walkways, and terraces without such structure indicated above

For residential lots, two car spaces, covered or not, are required for the dwellers, and two cars spaces, covered or not, are required for guests for a total of four, lot size and terrain allowing.

In cases where a lot is bordered by two opposing streets, both sides facing the streets shall be considered fronts, the front with the HIGHEST amount of street traffic as determined by the ACC is subject to the 5m setbacks.

The 5m front set back for a residential corner lot will be determined on the street that is wider, or the street with the most traffic.

For lots on Cabo Bello's main road, a 1.20m sidewalk must be built on all lots. The sidewalk can be part of the 5m front setback. In the case of corner lots, both streets shall have a sidewalk. (per 2005 revised regulations.) Sidewalks on other streets are highly recommended.

- ART 28 Side yard and back yard setbacks: a three (3) meter perimeter strip without construction shall be left as a side yard setback and backyard setback for all lots which exceed 18 meters in width along the front of the lot. These setbacks are applicable throughout the development, except when the property adjoins an arroyo or right of way, or when the width of the front of the lot is less than 18 meters. In the event that the front of the lot at the street measures less than 18 meters, the perimeter strip on both sides may be reduced proportionally to a minimum of 1.50 meters for a lot of 12 meters or less. No structures are permitted in the setbacks with the exception of approved ground level pools, or ACC approved types of equipment. All equipment must be enclosed. Open stairs or spiral staircases must first be approved by the ACC.
- ART 29 It is strictly prohibited to park mobile homes, commercial vehicles, boats, ATVs, Jet skis, and/or trailers on public roads or empty lots. Said equipment can be parked on private driveways a maximum of two weeks. Refer to the Cabo Bello Internal Regulations for more details. If said equipment is towed away, violators will pay the towing expense.
- ART 30 The exterior facades of all buildings and structures must have a rustic finish covered in white or earthy color, stucco, red brick or natural stone of the region. Colors must be stated on the approved plans or color chips be provided to the ACC for approval prior to painting.
- The ACC reserves the right to approve any building material used on the exterior of the construction. This also includes security or retaining walls, pergola roofs, etc.
- The use of reflective glass or glass with a mirrored film is strictly prohibited. Tinted glass is allowed as long as it is not reflective. It must be preapproved by the ACC prior to installation.
- Shade cloth fabric: The ACC reserves the right to restrict the use of shade cloth or its color. The fabric must be approved prior to installation by the ACC.
- ART 31 Pitched tile roofs or doors will be allowed only if the ridge height does not exceed 7.50 meters or 3.75 meters per Case A, B, C, or D. In all other cases the roof will be flat and finished in white or earth tones, having curbs or railings to conceal small areas of roofing materials which may be different. All building roofs must be constructed of concrete or clay tiles. They must be approved by the ACC prior to construction.

ART 32 The construction of concrete security/reinforcement walls at the rear and lateral boundaries shall be limited to a maximum height of 2.00 meters along the natural land contours. The front wall, (front of the house), facing the street shall be limited to a maximum height of 1.50 meters. Transition in height between the lateral walls and the front wall shall be the difference in the two heights times three. The transition will start on the lateral wall back from the front wall 3 times the difference in height. The lateral wall will meet the front wall at the height of the front wall. The design of the fence must be approved by the ACC. Chicken wire, chain link fenceing, barbed wire, or wood is not acceptable even during construction.

ART 33 In cases where retaining walls are required, walls must be finished with stucco, and/or natural stone. The height will not exceed 1.50m. In cases where increased height is needed, the retaining wall must be recessed 60cm, and the continuation of the retaining wall shall not exceed 2.40m. In these cases, there will be a setback of 50% of the total height and terraced 60cm after every height of 1.50m to create a stair-step design.

ART 34 Every new house must have a new Sewage Treatment Plant installed. Septic systems are no longer permitted. The technical data for the treatment plant must be presented to the ACC before any installation will be allowed. The use of one treatment plant to serve 2 lots or houses is strictly prohibited.

The size of the treatment plant must be correctly sized for the size of the dwelling. Installation of smaller plants that do not meet the correct requirements is not allowed. Only one treatment plant per lot is allowed.

At no time will treatment plants be allowed to be installed in arroyos or escurrimiento's. In addition no excess fluids will be allowed to be drained into arroyos or escurrimiento's. All excess materials processed by the treatment plant must remain on the lot where the treatment plant is installed.

The sewage treatment plant design is required and shall comply with local and/or Municipal regulations, including the unloading points and leaching well or field. The ACC recommends the utilization of the cleaned water be used to water yard plants. The sewage treatment plant and its location requires ACC approval before installation.

Dumping of Black Water: It against the Cabo Bello regulations to allow either by negligence, accident or by direct action the release of untreated water into the

arroyos, escurrimiento's, public or common areas. This action is punishable by a \$500.00 usd fine for the first each occurrence and a \$1,000.00 ussd fine for each subsequent occurrence. If this occurs during a construction project, then the fine must be paid in full first before resuming construction. It can not come from the construction deposit.

ART 35 A water cistern 10,000 liters or larger is required for a single family residence. Multi family units require a size of 10m<sup>3</sup> or the complex must have a cistern equivalent to the total number of units.

In the event that a water line has not been supplied to a lot, the owner will need to do the following to connect to the Cabo Bello water grid. An application to connect must be made to the HOA office and approved **before** any construction can be started. The owner will also have to make application to Oomsapas, the water company, and present the approved connection contract to the HOA office before any construction can start. Only one water line is allowed per lot. In the event that two or more lots have been fused, then the owner is only allowed one water line.

ART 36 Water storage tanks, hot water heaters, laundry lines, gas tanks, solar panels, and satellite dishes and A/C units must be kept from public view and enclosed if applicable.

ART 37 A covered garbage holding area with door or gate must be constructed to hold two 200 liter drums for a house. Duplex's & Multi-plex's will have at least one 200 liter can per unit. All cans to be held within an enclosure as stated above the electrical meter and water meter must be located in this area and be accessible by the utilities.

ART 38 In the event that it is found, that the ACC has approved plans and construction documents with errors relating to the Regulations, which were overlooked during the approval process, the ACC may at anytime enforce the omitted correct regulations and request remedial action. It is the responsibility of the owner/architect/builder to assure conformance with the regulations and to keep any records of any variances approved by the ACC.

The approval of plans does not set precedence for future plans approval.



**V CONSTRUCTION INSPECTION**

ART 39 The ACC will conduct a minimum of six (6) inspections to assure conformance with the approved plans at the following stages:

Inspection #1 – inspect the lot, the setbacks, first trace and footing locations determination of point zero elevation with the owner and/or architect. The ingress and egress, and designated parking for construction vehicles will be defined.

Inspection #2 – inspect first level elevation and foundation.

Inspection #3 – second level, roof, and setbacks of over hanging structures.

Inspection #4 – inspect the sewer system and leach field, bathroom and kitchen placement per approved plan.

Inspection #5 – final interior and exterior confirmation inspection that the construction is per the approved plans and regulations.

Inspection #6 – Inspect that all construction materials and debris are removed from lot and neighboring lots and access ways have been returned to their original condition. Inspect the Municipal Occupancy Document to insure that it is current and complete. Upon ACC satisfaction, the owner may occupy the building but not before. This inspection is considered an approval for Occupancy.

Please note that it is the owner's, architect, and/or builder's **responsibility** to advise the Cabo Bello Office Manager when the construction has reached the inspection stages. See ART 59, paragraph 3.

No permission will be needed either written or verbal from the owner, builder or legal representative for the ACC to make inspections inside or outside any lot or building under construction at any time with or without advance notice.

ART 40 The ACC may stop construction or fine the Owner, Architect, or Builder, and refuse the access of construction workers to Cabo Bello, for the following, and notwithstanding any other violations to the rules that may not be comprised in this article:

1. To start or restart the construction without having secured required approvals, and licenses.
2. The use of neighboring lots without the owner's written approval.
3. The start of construction without a water contract and meter installed.
4. The start of construction without an electric contract and the meter installed. The use of a generator for the purposes of construction is strictly forbidden EXCEPT in the case of an emergency.
5. The start of construction without proper sanitary facility installed for Construction workers.
6. For construction rubble or debris on roads, common areas, and neighboring lots.
7. For non-compliance of Development and Building Regulations.
8. Allowing construction workers to walk thru the development, and not being transported to the construction site. Allowing workers to act in a negligent manor.
9. To alter the construction so that it may exceed the setback and/or height restrictions. To alter the construction from the approved plans in any manner.
10. Construction vehicles that do not comply with the 20 mph speed limit.
11. For any other action that the APCBAC may consider subject to the sanction stated and/or not stated above.
12. Excessive noise or dust from the construction shall be monitored by the builder and the ACC. Action to resolve these problems will be taken immediately. At the request of neighbors, a protective screening must be installed to prevent damage to buildings and pools.

The ACC reserves the right to suspend any work by the owner, architect, builder, or supplier until violations are corrected.

**ART 41 Procedure of Sanctions.**

Considering the possibility that the builder commits an error that would result in a violation to the clauses of the present contract, it is established that for this case, before applying the fine, the APCBAC will notify the builder about the error and the violation committed, and grant a seven day period to correct said violation.

Upon reasonable request, contractor may be granted an additional fourteen days to correct said violation, or in cases where the magnitude of the error requires more time, both parties will agree on a time of correction, but not to exceed thirty days, counted from the time of notice. The Builder will be subject to the application of the conventional penalty in the following paragraph:

The Builder failing to correct such violations, or refusal to make corrections requested, or refusing to acknowledge and verify the seriousness of the fault, must pay a fine up to \$20,000.00 USD to the APCBAC, according to the magnitude of the violation, or in accordance to the following paragraph for the violation of the building regulations of Cabo Bello. This fine will be in addition to the construction deposit, and a request will be made to the county to suspend all construction activities. The construction will remain in this condition until the fine has been paid in full, allowing only necessary work to proceed to correct the irregularities. This is in accordance to ART 14 of the present building regulations.

The ACC reserves the right to inform the municipality about violations that are applicable to the municipality, and direct the municipality to shut down all construction activities on the jobsite, pending resolution of the violation.

Not all violations that are applicable to the APCBAC/ACC are applicable to the Municipal authorities, each can act together or separate, and fines that are applicable by the APCBAC/ACC may be different from the authorities. Each can act individually, apply their own fines, and stop construction for violations at any time.

#### Table of Sanctions: (Definition of fines)

1. In reference to the violation to the approved plans, up to \$20,000.00 USD.
  - a. To make changes to the approved plans or changes to the construction that do not comply with the approved plans.
  - b. To make changes to the construction that does not comply with the approved plans that imply more building area and or height.
  - c. To make changes to the waterlines, backwater lines, water treatment plants, treated water lines and leaking wells that are not in compliance with the approved plans.
2. In reference to the violations by the builders' workers, \$200.00 USD.
  - a. For allowing workers to walk thru the development of Cabo Bello, unsupervised.
  - b. For the non use of the temporary sanitary facilities by construction workers, within the lot, or outside the lot.
  - c. For allowing obscene actions.
3. In reference to the violation of transit of vehicles, \$200.00 USD.
  - a. Vehicles transiting outside the designated approved route.
  - b. Vehicles transiting over the specified speed limit.
4. In reference to the clean up of the surrounding area, \$500.00 USD.
  - a. Putting or leaving construction debris on lots or streets.

- b. Putting or leaving trash, food, beverages, or containers on lots or streets.
  - c. For not cleaning or repairing curbs and streets.
5. In reference to using the neighboring lots without written permission, \$1,000.00 USD without detriment of any actions taken separately by the neighbors.
6. In reference to the utilization of water from the Cabo Bello water system prior to receiving the water contact and tap from the water utility, \$1,000.00 USD.

The sanctions stated above may be applied as many times as violations occur. According to ART. 40:10 other fines or sanctions may be applied.

**ART 42      Procedures for Resolving Technical Controversy**

1. In case that a disagreement, technical controversy, exists concerning a Construction Application by the homeowner, the interested parties, together, will ask for the interpretation of the Building Regulations of the Association by; a professional Architect and/or Engineer. They must be currently registered as a Director Responsable de Obra (Director Responsible of Construction) by Los Cabos Municipality.
2. In case that the technical controversy is not settled by the intervention of the professional mentioned above, a special request may be made by the homeowner, for an intervention by the Dirección General de Planeación, Desarrollo Urbano y Ecología or the correspondent official entity. This is an order to get a technical analysis by the official mentioned above, who will be taking into consideration to resolve the controversy.
3. Accordingly, in the previous paragraph the mentioned technical resolution by the correspondent official will be decisive on the Architectural Control Committee. The mentioned technical resolution will not authorize the architectural project presented by the homeowner, until they obtain “Usos de Suelo”, any Technical Resolutions and Construction Licences as approved under the standard procedures of the Municipality.
4. All costs generated or incurred by this request will be the full responsibility of the Homeowner. The Architectural Control Committee of Cabo Bello, the Owners Association of Cabo Bello, A.C. nor any of its members will be responsible in any manner for any costs. These costs must be paid to the required departments before any ACC approval will be given.

## VI REGULATIONS FOR THE CONSTRUCTION PROCESS

- ART 43 The public thoroughfare in front of the lot must be kept free of rubble, rubbish or construction materials at all times. The APCBAC is authorized to take the corrective steps and to cover expenses with the funds taken from the construction deposit.
- ART 44 The use of the empty neighboring lots to deposit building materials during the construction period is subject to the express written authorization of the owner of said empty lots. Upon completion of construction, lots shall be restored to their original condition.
- ART 45 Working hours are limited from **7:00 a.m. to 5:00 p.m. on weekdays, 7:00 a.m. to 1:00 p.m. on Saturday**. No work may take place on Sundays or legal holidays. No construction noise will be allowed before 8:00 AM on work days. Pouring cement on Saturday is not allowed. If the job requires work past 1:00 p.m., a special permit must be taken out at least one day in advance, according to SECTION III.
- ART 46 No owner or construction personnel may occupy the property as a domicile during construction. For Occupancy see ART 39, #6, A single night watchman is allowed on the premises. The owner must notify the APCBAC of the watchman's name, address, and working hours on duty. The private watchman is only allowed on the construction property, and the owner takes full responsibility for the watchman and his actions.
- ART 47 The Owner, alone, shall be held liable to immediately repair any damage to passageways, services, or properties of Cabo Bello or Cabo Bello property owners. In order to avoid damages to the road, only three (3) axle construction vehicles will be allowed in Cabo Bello. Should the owner or builder see the necessity for heavier equipment, an alternate route will have to be agreed upon by the Association. The Back Service entry must be used by all construction trucks, water trucks, gas trucks, and other service or supply trucks. A temporary screen must be installed between a completed home and the new construction site to protect the home.
- ART 48 Pedestrian, Vehicular Traffic:
1. Construction workers will only be allowed to enter the development in the contractor's vehicle, thereby prohibiting foot traffic of construction workers through Cabo Bello.

2. The vehicles used daily by builders must be registered with the Association security office, and will obtain a pass to be displayed on the windshield of the vehicle. Vehicles must not block public roads.
3. In the case of temporary subcontractors, they will follow the guest entrance rules.
4. The builders will inform the APCBAC of the commercial vehicles that will be utilized to provide meals to the workers.
5. The commercial vehicles which sell meals to workers will follow the guest entrance rules.
6. All vehicles must obey the Cabo Bello traffic regulations. Traffic shall not exceed 20 mph or 30 kilometers per hour. Violators may be denied future access to Cabo Bello for the vehicle in question.

ART 48a Worker Behavior.

1. Foul Language: It is the responsibility of the owner, builder or legal representative to control the language of the workers. No foul language will be tolerated.
2. Sandals or flip-flops: They will not be allowed to be worn by any construction workers on the job site.

ART 49 Garbage and construction debris.

Waste Containers: Each construction site, new or remodel, must have three waste containers on site at all times. One will be for aluminum, one for plastic and one for food. All containers must be at least 100 liters or 25 gal or larger. The food container is required to have a secure lid with a plastic bag. It must be emptied daily by the contractor.

Construction debris: All construction debris will be piled neatly and removed from the area at least once every 2 weeks or more if requested.

ART 50 Utilization of potable water. All authorized construction sites must have at least a 10m<sup>3</sup> “rotoplas” water cistern, which will be filled by a water truck during construction. The construction sites will NOT be permitted to use the Cabo Bello potable water system for construction use, or the first filling of a new swimming pool or after renovation of an existing pool.

ART 51 Only the uses and assignments indicated in the Master Plan approved by Promotora Salmario S.A. de C.V., in consultation with the Cabo Bello Property Owners Association will be permitted.



- ART 52 During the course of construction, storage facilities are permitted. These facilities cannot exceed 25m<sup>2</sup> in size. Other provisional installations, such as camping shelters, are strictly prohibited. All construction sheds built on a construction site must be removed from the site before the final inspection.
- ART 53 The APCBAC reserves the right to modify the restrictions in special cases without setting precedence or incurring any liability.
- ART 54 Return of Construction deposits
- a. New Construction: The time limit is 2 years from the date of the Municipal building permit. All construction must be completed within this time for the construction deposit to be returned. After this period the construction deposit will be retained by the CBPOA. All other conditions must be met for the return of the deposit.
  - b. Remodeling: The time limit 1 year from the date of the municipal building permit. All construction must be completed within this time for the construction deposit to be returned. After this period the construction deposit will be retained by the CBPOA. All other conditions must be met for the return of the deposit.
  - c. The construction deposit refund will be returned upon the manifestation of the construction with Catastral. All other conditions must be met for the return of the deposit.
  - d. In the event that construction exceeds the above time limits and the owner wants to continue and/or initiate further construction, reapplication and payment of a second Construction Deposit will be necessary. Any outstanding fines will have to be paid in full.
  - e. SEE ART 22

**VII BUILDING REGULATIONS FOR CONDOMINIUMS**  
**(House Development and Building Regulations apply to Building Regulations for Condominiums where not written or specified in the Condominium Regulations.)**

- ART 55 The APCBAC Board of Directors has the authority to appoint a special Committee of two or more people to review the development of special projects such as condominiums, hotels, commercial retail units, and other non-residential uses. This special committee shall report to the APCBAC and ACC the review of the projects pros and cons and the impact and validity of its effect on Cabo Bello, including construction issues. Property owner will pay the cost of hiring a professional consultant.

ART 56 Only 50% of the surface of the lot may be utilized for buildings whether the Condominiums are attached units or separate units. The remaining 50% may be utilized for service installations, parking lots, sidewalks, pools, green areas, and recreational facilities. A five (5) meter strip free of construction along the streets and a three (3) meter strip free of construction on the sides of adjoining neighboring lots shall be left.

In cases of various adjoining streets, the five (5) meter restriction will apply to all streets. Condominal Areas cannot be subdivided into lots smaller than 300m<sup>2</sup> for separate units. Article 27 and 28 are applicable to condominium regulations.

ART 57 The area of the upper floor shall not exceed the area of the ground floor with the exception of terraces. A 10,000 liter cistern will be required to be built for each unit or one cistern proportionate to the number of units built.

ART 58 For the purpose of this article, "Unit" shall mean a kitchen, dining room, living room, two bedrooms, two bathrooms, and a storage facility. The maximum area of construction allowed will be 100 square meters for a condominium apartment, and 160 square meters for a separate villa.

ART 59 The maximum building height shall not exceed 7.50 meters on any part of the land following the natural terrain of the land. No landfill can be placed on the lot to change or alter the height of the natural terrain, unless permission is given in writing by the ACC and authorized by the APCBAC, and Special Committee (Article 54). The ACC reserves the right to limit location and /or height of trees or plants that would limit views of other homeowners.

ART 60 All current and past Annual Association dues must be paid in full on each lot at the first pre-construction consultation. Upon presentation of the construction plans, the owner must pay the Construction Fees, Construction Deposit, and Assessments.

Special Fees may be assessed as follows:

1. An amount established by the ACC for a licensed architect to review plans and issue a written report of the project and plan.
2. An amount established by the ACC for each subsequent revision to the project and to make the modifications that are necessary.



3. An amount established by the ACC for the inspections of the project and for supervision to insure the fulfillment of the regulations during the construction period. This is over the six minimum inspections of each unit. It will be the responsibility of the Owner, Architect and/or Builder to advise the ACC when construction has reached the required inspection stage.

**Construction will NOT progress until an inspection is made; written report of the inspection is received by the ACC, and written approval has been given.**

**If Owner, Architect and/or Builder fails to notify Cabo Bello Office Manager that they are ready for inspection and continue construction without an inspection, the developer will be fined \$1,000.00. The project will be stopped until, the fine is paid and an inspection is made and accepted by the ACC. The ACC & the Board of Directors reserves the right to increase the fines for subsequent violations.**

4. ART 19 Fees and Deposits apply. The Construction Deposit of \$5,000 US Dollars, plus \$4.00 USD per square meter of construction, or an equivalent amount in Mexican Pesos will be paid. This deposit is to guarantee the cost of reparation and cleaning of neighboring lots, streets, and common areas, or to cover penalties established in the present regulations. The total amount, or its proportional part, will be reimbursed upon termination of the project, after the final interior and exterior inspection is completed, the Municipal Occupancy document is received, and subject to the owner restoring the neighboring lots and passageways to their original condition. The deposit does not free the owner from any payments and additional costs incurred by the APCBAC to comply with this provision.

The APCBAC may withhold the total or any amount of the deposit for any of the following infractions:

- a. To start or restart the construction without having the Construction License.
- b. If the neighboring lots are used without the owner's written approval.
- c. The water contract is not presented and the water meter is not installed.
- d. The electric contract is not presented and the electric meter is not installed.

- e. If proper temporary toilet installation is not provided for construction workers.
- f. For construction rubble or debris and/or garbage on roads or common areas which has not been timely removed in accordance with previous provisions.
- g. For non-compliance of APCBAC Development and Building Regulations.

The APCBAC reserves the right to suspend any work by the owner, developer, architect, builder, contractors, or suppliers until the violations are corrected. In addition to fines, the APCBAC will advise the authorities for the suspension of work, until the violations are corrected.

## VIII AUTHORITIES

ART 61 The present regulations have been approved by the Asociacion De Propietarios De Cabo Bello, A.C. on this day; August 8, 2008. Validating this document with their signatures are the President and Secretary of the Asociacion De Propietarios De Cabo Bello, A.C. These regulations become effective on this same day and replace the former regulations established the 17<sup>th</sup> day of December 1993, and the regulations established the 24<sup>th</sup> day of March 1995.

This document is being presented in the Spanish language and contains sixty six (66) articles to be registered with the “Direccion de Obras Publicas del Municipio de Los Cabos B.C.S. and a translation in English is also validated by the above mentioned signatures.

For the purpose of interpretation and application, the Spanish version prevails and all copies of this document must include all the above mentioned signatures and the seal of the “Direccion de Obras Publicas” in order to considered official.

_____	<u>December 10, 2009</u>
President	Date
Asociación de Propietarios de Cabo Bello, A. C.	

_____	<u>December 10, 2009</u>
Director	Date
Asociación de Propietarios de Cabo Bello, A. C.	

Dirección Municipal de Desarrollo Urbano y Ecología  
IX Ayuntamiento de Los Cabos