

**Ostional Verde
Association Structure Initial Draft Copy**

Total Number of lots: 34

Residential: 29

Usage and restrictions:

- Exclusively for residential use.
- No Commercial or Condominium Development
- No Subdivision of Land
- Restricted Exterior Lighting in accordance with MINAE and/or University of Costa Rica recommendations for the turtle reserve.
- Preservation of Biodiversity, meaning no clear cutting of property and limited use of heavy machinery only when necessary.
- Agriculture, excavation, animal husbandry prohibited

Commercial: 3

Usage and restrictions:

- For commercial use.
- No Subdivision of Land
- Restricted Exterior Lighting in accordance with Minae and/or University of Costa Rica recommendations for the turtle reserve.
- No lighted signs
- Preservation of Biodiversity, meaning no clear cutting of property and limited use of heavy machinery only when necessary.
- Agriculture, excavation, animal husbandry prohibited
- Limited to the following businesses:

Restaurant

Supermarket

Medical facilities

Massage/Spa

Property Management

Office Center

Bookstore

Video Rental

Internet Café

Laundrymat

Bar (limited to one only)/Restaurant/Clubhouse/Community Pool area

Parkland: 2

- Exclusively for common use.
- No Commercial, Condominium, or Residential Development
- No Subdivision of Land
- Restricted Exterior Lighting
- Preservation of Biodiversity
- Agriculture, excavation, animal husbandry prohibited

-Trails and common structures such as picnic areas, outdoor exercise equipment and rain shelters allowed.

Detailed description of each lot: This includes a detailed description of each lot and the “easements” and plat map discrepancies.

Detailed description of site, with square meter totals: This includes the total square footage designated for residential lots, build common areas (guard house, etc.) and green area. This also includes detailed site information including items like the perimeter fences, road size, water and electrical hookups, trash area, septic system in common areas, etc.

Detailed description of each unit location: This is similar to the description of an individual lot, and includes the neighbors of each lot on all four sides.

Height Restrictions

The following properties are allowed to build only one story residential homes (six meter maximum height from crest to foundation):

Lots 4, 5, 6, 7, 8, 11, 12, 13 &14

The following properties are allowed to build one or two story residential homes (twelve meter maximum height from crest to foundation):

Lot 15

The following properties have no height restrictions:

Lots 9, 10, 16, 17, 18, 19, & 20

II. By-Laws

Application: Statement of the applicability of the by-laws to each lot owner.

Association: Is made up of all of the owners. During each meeting a President and Secretary are elected to run the meetings and to take minutes. If a lot is owned, rented or otherwise used by more than one party, only one representative must be appointed for each property.

Proxy: Proxy can be authorized via a simple Power of Attorney, but this Power must be signed before a Costa Rican Notary.

Duties of the Association:

- Budget approval based on details supplied by the Administrator.
- Calculation of dues owed for common expenses, insurance, administration, road improvement, water system repairs, reserve fund and other expenses.
- To appoint and/or remove the Administrator.
- To review financial statements provided by the Administrator.

- To authorize repairs and improvements to the common areas.
- To resolve any other issues that may affected all, or a majority of lot owners

Committees: The Association may form committees to deal with specific areas of concern.

Association Meetings: Must be held once a year.

Notice: Notice of meeting must be called by the Administrator or by the equivalent of owners that represents 1/3 of the total value of the Association. Notice must be given at least 60 natural days in advance.

Quorum: 2/3's of Owner's are necessary to reach quorum. If 2/3's of Owner's are not present, and second meeting can be called on the same day with the members present.

Votes: Decisions can be made by simple majority vote (50%+1), except for specific decisions that require the unanimous vote of all owners.

Value of Votes: The vote of each owner will be proportionate to one vote per property for a total of 32 votes.

Book of Acts (Minutes): A book of acts will be kept with the minutes of the Association Meetings. Committee meetings do not require a book of acts.

Administrator: In this portion, the number of administrators, their posts and Power's of Attorney are detailed. A clause is also given which allows the Association to remove them from their posts if they do not carry out their functions.

Administrator Voting: Voting and decision making stipulations and limitations are placed on the Administrator.

Duties of the Administrator:

- The care and upkeep of common areas.
- Facility operations and general services.
- Cleaning and gardening.
- Collections of monthly or yearly dues.
- Oversight and control of association rules in regards to moral behavior, noise, etc.
- Emission of certificates of debt.
- Employee oversight.
- Repairs.
- Control of lighting and common areas.
- Traffic control/Security at entrance

Encumbrance: Owner's are allowed to rent or otherwise encumber their unit, but the renters and or mortgage lender must respect and assume the by-laws. By laws must be passed on to future buyers.

Dues: Dues must be paid on time or interest accrues at the rate of 2% monthly, with sixty day grace period. Dues will begin to be charged in January of 2006 at the rate of \$250 per year for non-constructed lots, and \$500 per year for constructed lots. Dues will only be reassessed by the Association when 50%+1 of the properties have been sold by the developer. Dues will not be paid by the developer on unsold lots.

Other services: Electrical, water, telephone and cable service are the individual responsibility of each property owner. Owner's may contract other services as long as they do not affect negatively other owners. They may not make modifications to their lots that affect negatively neighboring lots (excavation, etc.), or they will be liable for damages.

Access: Owner's cannot limit the use of common areas by other owners and must allow access to their units by the Administrator to carry out general repairs and maintenance.

Fences: Fences that delimit the individual lots may not be higher than 120 cm. (4 ft.), may NOT have barbed wire, and must be constructed of wood or other Association approved material.

Signs: Commercial signs or any other type of advertising is not allowed.

Construction: Approved construction must be completed within twelve months of initiation. The lot owner is responsible to clear the debris and refuse generated by their construction site. Temporary or removable structures (including mobile homes and tents) may NOT be installed. (This doesn't include a shelter for on site construction workers during the construction phase.)

Property maintenance & appearance: The lawns/gardens must be mowed/maintained and other exterior areas must be neatly maintained and free of any type of garbage or other debris. In case of abandonment or neglect by the lot owner of the external gardens or façade of the residence, the Association may perform all work necessary for the maintenance of the external appearance at the cost of the lot owner.

Painting/Color: Exterior paint colors will be selected from an Association approved palette.

Unit use: The Owner cannot change the object of use of their lot (residential) for commercial or any other use that is not specifically for residential living.

Common Areas: Owner's may not store objects or impede access in common areas. This includes storage of vehicles, boats, kayaks, surfboards, etc.

Prohibited Items: This is a list of items not allowed on common or personal property. Unregistered firearms, explosives, illegal drugs, odor causing substances.

Access: Owner's must allow access to their lots 4 times per year for compliance verification. Request, in writing, will be served.

Renter Notice: If an owner wishes to rent their unit, notice must be given to the Administrator, who in turn will notify the other owners.

Noise: Restrictions to be defined based on Municipal Regulations.

Common Areas: Detail of process by which owners can request and be granted use of common areas for public activities (parties, birthdays, etc.)

Damages: When damages in common areas are caused due to the negligence of an owner, said owner can be billed for damages.

Reserve and Emergency funds: Monthly dues will have a portion set aside for a reserve fund and the Owner's may request additional dues for emergency repairs.

Property Tax: The Administrator, when possible, will carry out collection and payment of Property Tax in conjunction with municipal officials, for common areas. Tax payment services may also be offered to lot owners.

Approval: All lot owners must approve these by-laws.

Appointment of Officers: Unit Owner's officers are elected and names listed.

Permit and Insurance Details: The final section of the Association structure is a detailed list of the architect, insurance information and detailed information in regards to the plans and all of the government offices that must approve construction. Our determination at this time is that the following agencies must give approval for construction:

Colegio de Arquitectos

INS

Setena

Minae (Nicoya)

Ministerio de Salud

*Association Water System
AyA (Septic)
Ice
Municipalidad de Santa Cruz*

III. Infrastructure

Water System:

- 1 connection and meter provided by developer to each lot by September 30, 2005
- Additional water connections to be assessed by Association and required system changes must be approved and executed by Association.
- Each lot owner must provide underground connection from the edge of lot to structure.
- Acceptable pressure provided only to property line. If structures are 5 meters above property line, owners must provide Association approved tank and pressure pump system.
- Individual drilling of deep-wells without Association approval is prohibited.
- Individual drilling of hand-dug wells is allowed.

Electricity:

- Underground electrical lines to be provided by developer to each lot by September 30, 2004.
- Each lot owner must request their owner meter and make underground connections from the edge of the property to structure/s.

DEVELOPER

DATE:

ID #:

BUYER

DATE:

ID #: