

GUIONES BEACH CLUB HOME OWNER'S ASSOCIATION

DECLARATION OF RESTRICTIVE COVENANTS AND ROAD MAINTENANCE PROVISIONS

This Declaration of Restrictive Covenants and Road Maintenance provisions is made on this _____ day of _____, 20____ (the "Declaration"). (the "Owners") as owners of certain real property within the Guiones Beach Club Condominium and being more particularly described on Exhibit A, attached hereto (the "Premises") which property has been condominiumized into lots (respectively, a "Lot" and collectively the "Lots"), which include Common Walkway Easements, a Common Right of Way (the "Road"), and any Homeowner's Association Facilities, all of which are shown on a plan entitled Guiones Beach Club Condominiums (*Or As It Is Labeled Upon Receipt Of Registry Documentation*).

The owners hereby DECLARE, PROVIDE AND COVENANT and agree to impose and burden this Declaration of Restrictive Covenants, Architectural Review and Road Maintenance Provisions upon all of the property shown on the Plan for the mutual benefit, privacy and enjoyment of the Lots and for the purpose of managing, maintaining and improving the Roads, Right of Ways and the Common Walkway Easements, as designated on the Plan, and the "Common Utilities", which term shall include all wires, cables, conduits, devices and appurtenances used in connection with the provision of municipal water service, electricity, cable television service, telephone and other utility and communications services which are used in common with all Lots.

1. PERMITTED USES & RESTRICTIONS FOR ALL LOTS:

A. Exterior Appearance of structures:

- i. We encourage all structures to be designed so as to limit their prominence on the site and to recede into the natural landscape as much as possible.
- ii. Roofing materials shall be limited to green tiles or panels in the Spanish Colonial style; or green (including dried) palm leaves.
- iii. All structures must be painted with muted "earth tones".
- v. The use of natural wood detailing and trim is encouraged. Exterior gates and portones should also be made from oiled or stained wood.

B. Parking of all vehicles, including, without limitation water craft and motorized and/or non-motorized vehicles, for all uses at a Lot shall be accommodated at each Lot within the boundaries of such Lot. No Lot shall be used for the outdoor storage of unregistered or abandoned motor vehicles or any vehicle body or

motor parts.

C. No rubbish, debris, dead trees or heavy brush of any kind shall be placed or permitted to accumulate upon any Lot, except during approved construction on such Lot.

D. No trash receptacles or bottled gas containers shall be placed, constructed, altered or maintained on any Lot unless screened from view of other Lots and the Road.

E. No satellite dishes, outside television antennas or other antennas or aerial structures shall be erected, installed or maintained on any Lot except for satellite dishes not in excess of 30" in diameter (sized to accommodate Direct TV Service or equivalent).

F. No noxious, dangerous, offensive, or noisy activity of any nature that is reasonably determined by the Association, to be an annoyance or nuisance to the owners of a Lot, shall be permitted or maintained on any Lot.

G. There shall be no further subdivision of lots.

H. No Lot shall be used for any business or commercial purpose of any kind, except for a home office which does not result in client or customer visits to the Lot. Residential leasing shall be exempted from this provision. Homeowners Association facilities shall be exempted from this provision. Lot 15 and Lot 38 shall be exempted from this provision.

I. No pets or other animals shall be kept or maintained on any Lot of such type or in such number as to be noisome or offensive. Any pet, animal or bird shall be suitably leashed, caged or otherwise controlled. Notwithstanding the foregoing, no chickens, ducks or other fowl of any kind shall be kept or maintained on any Lot.

J. Any exterior lighting fixture shall be directed, placed and/or shielded so as to be down-casting and not project above the horizontal plane created by the top of the light fixture, and not project into a dwelling located on a Lot. The meaning and intent of this provision is to allow for lighting to provide for safety and security, but to limit such lighting so as not to cause glare and/or sky glow.

K. To the maximum extent practical, all cables, pipes, conduits, apparatus, devices and fixtures for the provision of electricity, water, telephone and cable television service and any other utility services now or in the future located on a Lot shall be placed underground.

L. No exterior commercial signage of any kind shall be allowed. Lot 15 and Lot 38 shall be exempted from this provision.

M. For purposes of this section the front yard shall be defined as the boundary of the property abutting the road designated for access, the rear yard will be defined as the opposite property boundary and the two side yards will be the boundaries between the front and rear boundaries. Setbacks shall be defined as the minimum distance between the property boundary and any structure constructed in excess of three feet above existing grade prior to construction, with the exception of fences as permitted herein. Each lot shall be limited to one driveway or curb cut.

Setbacks, Access, Maximum Height and Number of Residential Units allowed:

Lots 1-4, 39, 42-47:

Setbacks: 15 feet for the front yard, and 10 for the side and rear yard.

Permitted Uses: No buildings or other structures of any kind shall be erected, placed or allowed to stand on the Lot except one single family residential dwelling as permitted under applicable law together with accessory buildings and structures normally appurtenant or incidental to a residential dwelling situated in Nosara. No garage or any other structure permanent or portable on a Lot shall be used for the storage of heavy commercial vehicles or construction equipment.

Maximum Height: No building shall exceed 23 feet in height from mean grade. For purposes of this section, mean grade shall be defined as the average existing grade within the foundation perimeter before construction or any related site work begins as identified on the attached plan, "Exhibit A".

Lot 5:

Setbacks: 15 feet for the front yard, but the front yard setback shall only extend along the first 40 feet of the road boundary starting at the corner shared with Lot 4, and 10 for the side and rear yard.

Permitted Uses: No buildings or other structures of any kind shall be erected, placed or allowed to stand on a Lot except one single family residential dwelling as permitted under applicable law together with accessory buildings and structures normally appurtenant or incidental to a residential dwelling situated in Nosara. No garage or any other structure permanent or portable on the Lot shall be used for the storage of heavy commercial vehicles or construction equipment.

Maximum Height: No building shall exceed 23 feet in height from mean grade. For purposes of this section, mean grade shall be defined as the average existing grade within the foundation perimeter before construction or any related site work begins as identified on the attached plan, "Exhibit A".

Lot 6:

Setbacks: 15 feet for the front yard, and 10 for the side and rear yard. Access shall be allowed exclusively from the dead end road on the Southerly boundary. No driveway or curb cut shall be made from the main road on the Easterly boundary.

Permitted Uses: No buildings or other structures of any kind shall be erected, placed or allowed to stand on the Lot except one single family residential dwelling as permitted under applicable law together with accessory buildings and structures normally appurtenant or incidental to a residential dwelling situated in Nosara. No garage or any other structure permanent or portable on a Lot shall be used for the storage of heavy commercial vehicles or construction equipment.

Maximum Height: No building shall exceed 23 feet in height from mean grade. For purposes of this section, mean grade shall be defined as the average existing grade within the foundation perimeter before construction or any related site work begins as identified on the attached plan, "Exhibit A".

Lot 7:

Setbacks: 10 feet for the front yard, and 10 for the side and a rear yard setback of 2 feet along the Nosara Civic Association boundary.

Permitted Uses: No buildings or other structures of any kind shall be erected, placed or allowed to stand on the Lot except one single family residential dwelling as permitted under applicable law together with accessory buildings and structures normally appurtenant or incidental to a residential dwelling situated in Nosara. No garage or any other structure permanent or portable on a Lot shall be used for the storage of heavy commercial vehicles or construction equipment.

Maximum Height: No building shall exceed 23 feet in height from mean grade. For purposes of this section, mean grade shall be defined as the average existing grade within the foundation perimeter before construction or any related site work begins as identified on the attached plan, "Exhibit A".

Lots 8 and 10:

Setbacks: 15 feet for the front yard, and 10 for the side and a rear yard setback of 2 feet along the Nosara Civic Association boundary.

Permitted Uses: No buildings or other structures of any kind shall be erected, placed or allowed to stand on the Lot except one single family residential dwelling as permitted under applicable law together with accessory buildings and structures normally appurtenant or incidental to a residential dwelling situated in

Nosara. No garage or any other structure permanent or portable on a Lot shall be used for the storage of heavy commercial vehicles or construction equipment. Notwithstanding anything in the foregoing, animals may be kept on this lot so long as they do not materially interfere with the peaceful habitaion of people, make any undue noise or odors, or cause a nuisance.

Maximum Height: No building shall exceed 23 feet in height from mean grade. For purposes of this section, mean grade shall be defined as the average existing grade within the foundation perimeter before construction or any related site work begins as identified on the attached plan, "Exhibit A".

Lots 11, 12 and 13:

15 feet for the front yard, and 10 for the side and rear yard.

Permitted Uses: No buildings or other structures of any kind shall be erected, placed or allowed to stand on the Lot except one single family residential dwelling as permitted under applicable law together with accessory buildings and structures normally appurtenant or incidental to a residential dwelling situated in Nosara. No garage or any other structure permanent or portable on a Lot shall be used for the storage of heavy commercial vehicles or construction equipment.

Maximum Height: No building shall exceed 23 feet in height from mean grade. For purposes of this section, mean grade shall be defined as the average existing grade within the foundation perimeter before construction or any related site work begins as identified on the attached plan, "Exhibit A".

Access: Where possible, access shall be allowed from either the roads on the Northerly or Southerly boundaries of these lots. Each Lot shall be allowed only one driveway or curb cut.

Lot 14:

Setbacks: 15 feet for the front yard, and 10 for the side and rear yard. The front yard setback shall be measured from the road that divides Lot 14 and Lot 18.

Permitted Uses: No buildings or other structures of any kind shall be erected, placed or allowed to stand on the Lot except one single family residential dwelling as permitted under applicable law together with accessory buildings and structures normally appurtenant or incidental to a residential dwelling situated in Nosara. No garage or any other structure permanent or portable on a Lot shall be used for the storage of heavy commercial vehicles or construction equipment.

Maximum Height: No building shall exceed 23 feet in height from mean grade. For purposes of this section, mean grade shall be defined as the average

existing grade within the foundation perimeter before construction or any related site work begins as identified on the attached plan, "Exhibit A".

Lot 15, 16 and 17:

Setbacks: 10 feet for the front yard, and 10 for the side and 2 feet along the rear yard which shall be the Nosara Civic Association boundary.

Permitted Uses: No buildings or other structures of any kind shall be erected, placed or allowed to stand on the Lot except two single family residential dwelling as permitted under applicable law together with accessory buildings and structures normally appurtenant or incidental to a residential dwelling situated in Nosara. Common facilities shall be allowed on these Lots.

Maximum Height: No building shall exceed 23 feet in height from mean grade. For purposes of this section, mean grade shall be defined as the average existing grade within the foundation perimeter before construction or any related site work begins as identified on the attached plan, "Exhibit A".

Lot 18:

Setbacks: 15 feet for the front yard, and 10 for the side and rear yard. The front yard setback shall be measured from the road that divides Lot 14 and Lot 18.

Permitted Uses: No buildings or other structures of any kind shall be erected, placed or allowed to stand on the Lot except one single family residential dwelling as permitted under applicable law together with accessory buildings and structures normally appurtenant or incidental to a residential dwelling situated in Nosara. No garage or any other structure permanent or portable on a Lot shall be used for the storage of heavy commercial vehicles or construction equipment.

Maximum Height: No building shall exceed 23 feet in height from mean grade. For purposes of this section, mean grade shall be defined as the average existing grade within the foundation perimeter before construction or any related site work begins as identified on the attached plan, "Exhibit A". Notwithstanding the foregoing, no structure may be more than 18 feet in height from the highest point on the Lot.

Lot 40:

Setbacks: 15 feet for the front yard, and 10 for the side and rear yard.

Permitted Uses: No buildings or other structures of any kind shall be erected, placed or allowed to stand on the Lot except one single family residential dwelling as permitted under applicable law together with accessory buildings and

structures normally appurtenant or incidental to a residential dwelling situated in Nosara. No garage or any other structure permanent or portable on a Lot shall be used for the storage of heavy commercial vehicles or construction equipment.

Maximum Height: No building shall exceed 23 feet in height from mean grade. For purposes of this section, mean grade shall be defined as the average existing grade within the foundation perimeter before construction or any related site work begins as identified on the attached plan, "Exhibit A". Notwithstanding the foregoing, no structure may be more than 18 feet in height from the highest point on the Lot.

Lot 19, 20, 21, 41:

Setbacks: 15 feet for the front yard, and 10 for the side and rear yard.

Permitted Uses: No buildings or other structures of any kind shall be erected, placed or allowed to stand on the Lot except two single family residential dwellings as permitted under applicable law together with accessory buildings and structures normally appurtenant or incidental to a residential dwelling situated in Nosara. No garage or any other structure permanent or portable on a Lot shall be used for the storage of heavy commercial vehicles or construction equipment.

Maximum Height: No building shall exceed 23 feet in height from mean grade. For purposes of this section, mean grade shall be defined as the average existing grade within the foundation perimeter before construction or any related site work begins as identified on the attached plan, "Exhibit A". Notwithstanding any of the foregoing, not structure may exceed 18 feet in height above the highest point of the Lot.

Lots 22-31:

Setbacks: 15 feet for the front yard, and 10 for the side and rear yard.

Permitted Uses: No buildings or other structures of any kind shall be erected, placed or allowed to stand on the Lot except one single family residential dwelling as permitted under applicable law together with accessory buildings and structures normally appurtenant or incidental to a residential dwelling situated in Nosara. No garage or any other structure permanent or portable on a Lot shall be used for the storage of heavy commercial vehicles or construction equipment.

Maximum Height: No building shall exceed 18 feet in height from mean grade. For purposes of this section, mean grade shall be defined as the average existing grade within the foundation perimeter before construction or any related site work begins as identified on the attached plan, "Exhibit A".

Lot 37:

Setbacks: 15 feet for the front yard, and 10 for the side and rear yard.

Permitted Uses: No buildings or other structures of any kind shall be erected, placed or allowed to stand on the Lot except six single family residential dwellings as permitted under applicable law together with accessory buildings and structures normally appurtenant or incidental to a residential dwelling situated in Nosara. No garage or any other structure permanent or portable on a Lot shall be used for the storage of heavy commercial vehicles or construction equipment.

Maximum Height: No building shall exceed 23 feet in height from mean grade. For purposes of this section, mean grade shall be defined as the average existing grade within the foundation perimeter before construction or any related site work begins as identified on the attached plan, "Exhibit A"

Lot 36:

Setbacks: 15 feet for the front yard, and 10 for the side and rear yard.

Permitted Uses: No buildings or other structures of any kind shall be erected, placed or allowed to stand on the Lot except four single family residential dwellings as permitted under applicable law together with accessory buildings and structures normally appurtenant or incidental to a residential dwelling situated in Nosara. No garage or any other structure permanent or portable on a Lot shall be used for the storage of heavy commercial vehicles or construction equipment.

Maximum Height: No building shall exceed 18 feet in height from mean grade. For purposes of this section, mean grade shall be defined as the average existing grade within the foundation perimeter before construction or any related site work begins as identified on the attached plan, "Exhibit A"

Lots 34 and 35:

Setbacks: 15 feet for the front yard, and 10 for the side and rear yard.

Permitted Uses: No buildings or other structures of any kind shall be erected, placed or allowed to stand on the Lot except two single family residential dwellings as permitted under applicable law together with accessory buildings and structures normally appurtenant or incidental to a residential dwelling situated in Nosara. No garage or any other structure permanent or portable on a Lot shall be used for the storage of heavy commercial vehicles or construction equipment.

Maximum Height: No building shall exceed 18 feet in height from mean grade. For purposes of this section, mean grade shall be defined as the average existing grade within the foundation perimeter before construction or any related site work begins as identified on the attached plan, "Exhibit A"

Lot 33:

Setbacks: 15 feet for the front yard, and 10 for the side and rear yard. Lot 33 has a 7 meter common area on the west end of the lot, and a pedestrian easement on the northern boundary.

Permitted Uses: No buildings or other structures of any kind shall be erected, placed or allowed to stand on the Lot except four single family residential dwellings as permitted under applicable law together with accessory buildings and structures normally appurtenant or incidental to a residential dwelling situated in Nosara. No garage or any other structure permanent or portable on a Lot shall be used for the storage of heavy commercial vehicles or construction equipment.

Maximum Height: No building shall exceed 18 feet in height from mean grade. For purposes of this section, mean grade shall be defined as the average existing grade within the foundation perimeter before construction or any related site work begins as identified on the attached plan, "Exhibit A"

Lot 34:

Setbacks: 15 feet for the front yard, and 10 for the side and rear yard.

Permitted Uses: No buildings or other structures of any kind shall be erected, placed or allowed to stand on the Lot except two single family residential dwellings as permitted under applicable law together with accessory buildings and structures normally appurtenant or incidental to a residential dwelling situated in Nosara. No garage or any other structure permanent or portable on a Lot shall be used for the storage of heavy commercial vehicles or construction equipment.

Maximum Height: No building shall exceed 18 feet in height from mean grade. For purposes of this section, mean grade shall be defined as the average existing grade within the foundation perimeter before construction or any related site work begins as identified on the attached plan, "Exhibit A"

Lot 32:

Setbacks: 5 foot setback for all lot lines.

Permitted Uses: No buildings or other structures of any kind shall be erected, placed or allowed to stand on the Lot except two single family residential dwellings and a common facility.

Maximum Height: No building shall exceed 25 feet in height from mean grade. For purposes of this section, mean grade shall be defined as the average existing grade within the foundation perimeter before construction or any related site work begins as identified on the attached plan, "Exhibit A".

Lot 38:

Setbacks: 5 foot setbacks for all lines.

Permitted Uses: No buildings or other structures of any kind shall be erected, placed or allowed to stand on the Lot except two single family residential dwellings and two commercial use units.

Maximum Height: No building shall exceed 25 feet in height from mean grade. For purposes of this section, mean grade shall be defined as the average existing grade within the foundation perimeter before construction or any related site work begins as identified on the attached plan, "Exhibit A".

Lot 48:

Setbacks: There shall be no setbacks for this lot.

Permitted Uses: No buildings or other structures of any kind shall be erected, placed or allowed to stand on the Lot except a single dwelling as permitted under applicable law together with accessory buildings and structures. A common guard house type facility garage and storage will be located on this lot.

Maximum Height: No building shall exceed 18 feet in height from mean grade. For purposes of this section, mean grade shall be defined as the average existing grade within the foundation perimeter before construction or any related site work begins as identified on the attached plan, "Exhibit A".

5. COMMON WALKWAY EASEMENTS AND ROADS

A. Common Walkway Easements: Each lot shall have the right to use the Common Walkway Easements as indicated on the plan for foot and bicycle traffic only. No motorized vehicles are allowed on the Common Walkway Easements.

B. The Road:

Each lot on the Plan shall have the appurtenant right and easement to use the Road for all purposes for which streets and ways are normally used, subject, however, to the terms and provisions of this Declaration. Within the Road, no

person, other than the Association, below, shall construct, reconstruct, refinish, or maintain any improvements upon or within the Road, or excavate, fill or change the natural or existing drainage of the Road.

6. ARCHITECTURAL APPROVAL

A. There is hereby established an Architectural Approval Committee (the "AAC") which shall consist of at least three persons, each owning or having an interest in a separate Lot. The initial members shall be Peter D. Kyburg, Charles A. Morano and Christopher A. Young, who shall serve until their successors are appointed pursuant to the following paragraph.

The right to appoint and remove all members of the AAC, shall be vested solely in the Association, pursuant to a majority vote of the Association. Notice of any appointment and/or removal shall be in writing, signed by the Clerk of the Association, accepted, if applicable, by the person so appointed.

The AAC shall review all proposals for Improvements, defined in subparagraph B, below, and issue written determinations, including certificates of approval or denial, pursuant to subparagraph D, below.

B. Any owner of a Lot proposing to erect, place or construct any building, fence or other structure or improvement of any kind or additions thereto or alterations thereof (the "Improvements"), except for such maintenance which does not alter the size, color or architectural style of any such building, fence or other structure or improvement, shall first apply to the Architectural Approval Committee (the "AAC") by delivering to the AAC a written description of the nature of the proposed improvements together with such of the following documents and information as are pertinent:

- i. A site plan of the Lot showing the location of existing and proposed Improvements, including driveways and walkways, and any modifications thereof;
- ii. Elevations of all proposed Improvements;
- iii. A description of exterior materials and colors for the proposed Improvements; and
- iv. The intended use of the proposed Improvement.

C. The AAC shall grant the requested approval if it finds, after consideration of the items set forth above and such other matters contained in or implied by this Declaration, that the proposed improvements comply with the following:

- i. All roofs shall be finished in either green ceramic roof tiles or metal roof

- tiles that appear to be green ceramic roof tiles. Natural palm roofs shall also be permitted.
- ii. All exterior finishes and paints shall be muted or natural earth tones.
 - iii. To the maximum extent practical, the general design and appearance of the proposed structures are in keeping with the architectural context of the association. Specifically, no structures shall be permitted which have not tried to minimize their prominence through the use of softening elements such as natural wood trim details, roof lines to break up tall exterior facades, and an additive massing approach to limit large block style buildings. Additionally, the AAC shall encourage the use of the classic Spanish Mediterranean architectural vernacular as a means to maintain a consistent context throughout the Association. The use of multiple ridge heights is also encouraged to limit the overall visual mass of a structure.
 - iv. To the maximum extent practical, all cables, pipes, conduits, apparatus, devices and fixtures for the provision of electricity, water, telephone and cable television service and any other utility services now or in the future located on a Lot shall be placed underground.
 - v. All exterior gates and portones are made from oiled or stained wood.
 - vi. The proposed Improvements complies with all applicable laws, by-laws, rules, codes or regulations and the terms and provisions of this Declaration.

D. All approvals for proposed Improvements by the AAC shall be in writing but need not be in recordable form; provided, however that any such application for approval which has not been acted upon within twenty one (21) days from the date of submission of a complete application shall be deemed approved and a Certificate to that effect signed by any member of the AAC shall be conclusive evidence of such approval. Upon request and after completion of the proposed Improvements as previously approved by the AAC, or at any time thereafter, the AAC shall issue a Certificate, in recordable form, that the Improvements on such Lot have been approved pursuant to the Declaration and are in compliance with such approval(s) and the Declaration.

E. The AAC shall have the right to grant a height variance, notwithstanding anything in the foregoing of this Declaration, to accommodate the building of a so called "Rancho". A Rancho shall be constructed of wood with a natural palm or imitation palm roof. No metal or ceramic roofs will be approved. The decision of the Variance shall be based on the necessity, height, location and orientation of the proposed Rancho so as to cause the least amount of impact on surrounding Lots.

7. ORGANIZATION

A. The Association & Duties, Rights and Obligations:

There shall be a neighborhood association, known as Guiones Beach Club Home Owner's Association (the "Association") to manage and be governed by the terms and provisions of this Declaration.

The Association, subject to and in accordance with the provisions of this Declaration, shall have, in addition to those necessary or implied in this Declaration, the following duties, rights and obligations:

- i. To provide for the operation, improvement and maintenance of the Road and the Common Walkway Easements, and all facilities and other improvements thereon including but not limited to providing and billing for water and security services;
- ii. To pay all real and personal property taxes and assessments, if any, levied upon the Road, the Common Walkway Easements, or any improvements thereon;
- iii. To obtain and maintain in full force and effect such insurance as the Association shall deem necessary to protect the Association and the Lot Owners from loss by reason of fire or other casualty and from liability to persons or property;
- iv. To make reasonable rules and regulations for the use, enjoyment and safety of the Common Walkway Easements and the Road.
- v. To establish fines for violations of any rules and regulations established by the Association.
- vi. To levy and collect Common Assessments from the owners of the Lots and any fines assessed to a Lot owner.
- vii. To enforce the terms, provisions and obligations created by this Declaration.
- viii. To grant easements and such other rights as may be required by governmental agencies or utility companies for the purpose of constructing, erecting, operating, or maintaining the Road and the Common Utilities.
- ix. To employ a manager and such other employees as are necessary to carry out the responsibilities and duties of the Association.

B. Members/Membership

The members of the Association shall consist of the holders of the fee interest, both legal and equitable, for each Lot and one Membership shall be appurtenant to each Lot. One vote shall be allocated to each Membership attached to Lots 1 through 18, 39, 40, 42-47, 22-31, 34, 38. Two votes shall be allocated to each Membership attached 19, 20, 21, 41, 35, 34, . Four votes shall be allocated to each Membership attached to 33 and 36, and, six votes for lot 37. Any owner of a Lot or representative thereof by written proxy shall be entitled to cast the vote(s) of such Lot.

C. Officers

Initially, the Association shall be managed by Peter D. Kyburg, as President of the Association. Following vote by the Membership, the Association shall be managed by a board of three Officers; namely, a President, a Treasurer and a Clerk. All Officers must be members. Actions by the Officers shall require a

majority thereof. The Officers may adopt reasonable rules for its conduct and allocate duties to individual Officers.

At the annual meeting of the Association, the Membership shall elect the Officers. Any Officer may resign at any time upon written notice to the other Officers, or a majority of the Membership may remove an Officer. The Officers will not be entitled to compensation for services rendered to the Association, but will be entitled to reimbursement for any reasonable expenses incurred on behalf of the Association. Any reimbursable expense greater than \$100.00 shall require the prior consent of the Officers; any reimbursable expense greater than \$1,000.00 shall require a majority vote of the Membership at a duly called meeting of the Association.

D. Meetings

An annual meeting shall be held at a place, time, and date as designated by the Officers. In the discretion of the Officers, participation by a member at any meeting may be held by telephone conference or otherwise. A special meeting may be called by the Officers or by any two Memberships, upon reasonable notice to the Membership which notice shall contain the reason for such special meeting. Notice of any meeting of the Association shall be mailed to the Membership at least thirty (30) days in advance thereof.

At any meeting of the Association, a majority of the Membership shall constitute a quorum and, unless otherwise provided herein, a majority of the Membership voting shall decide any question.

E. Budgets

The fiscal year for the Association shall be from July 1 to June 30. Prior to the annual meeting the Officers shall provide to the Membership, in addition to other matters to be acted upon, a proposed budget for the anticipated expense for the upcoming fiscal year which shall include, in part and as applicable, the anticipated expense for insurance and the upgrade, repair, replacement, care and maintenance of the Common Easement Area and any improvements thereon, the Common Utilities and the Road. At the annual meeting, the Association shall adopt the Association's budget as it may be amended or supplemented.

Within thirty (30) days after the adoption of the budget, the President shall send to the Membership a copy of the budget, together with a statement for their allocable share of the amount so budgeted. If, at any time, the budget proves inadequate for any reason, the Officers or any two Memberships may call a special meeting to determine whether to assess a special assessment which amount, upon adoption, shall be assessed to each Lot in the same manner as the annual budget. Collectively, any special assessment and regular assessment shall hereinafter be referred to as the "Common Assessments".

F. Collection of Common Assessments

All Common Assessments shall be due and payable within thirty (30) days after the date that the statement has been sent to each Membership. Any Membership that fails to pay its Common Assessment when due shall also be liable for any monies expended by the Association, including reasonable attorneys fees and Court costs, to collect such Common Assessment. All such costs of collection may be collected in the same manner as the Common Assessments. Common Assessments levied hereunder, together with interest thereon and all reasonable costs of collection thereof, including reasonable attorney fees, shall be a continuing lien on the Lot to which the Common Assessment is made. Any Common Assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of eighteen (18%) percent per year.

Each Membership shall be assessed according to that Membership's percent interest of ownership of the Home Owner's Association. The percent interest of ownership shall be determined by that Member's number of votes as a percentage of the total number of votes, which is seventy-three (73).

The Association, acting by and through and pursuant to a vote of its Officers, may bring an action at law against a member personally obligated to pay the Common Assessment or foreclose the lien against the member's Lot. If the Home Owner's Association is victorious in such action, the losing Member shall be responsible to pay the Home Owner's Association's legal fees and costs.

No sale or transfer shall relieve such Lots or the owners thereof from liability for any Common Assessments thereafter becoming due or from the lien thereof.

8. AMENDMENTS

This Declaration may be amended, in whole or part, in writing approved and signed by a majority vote of the members. No amendment shall be effective as to any Lot where such amendment creates new burdens, restrictions or limitations particular to such Lot, and not generally to all Lots on the Plan, without the consent by the owners of the Lot so affected.

9. SEVERABILITY

Each of the terms and provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity of any term or provision or portion thereof shall not affect the validity or enforceability of any other term or provision.

10. APPLICABLE LAWS

All disputes that may arise from this Home Owner's Association Declaration shall be resolved in Costa Rica, and shall be governed only by the laws of Costa Rica.

AGREED TO BY:

Buyer:

Date:

For Guiones Beach Club Home Owner's Association:

Date: