



Puerto Los Cabos

Fundadores Village Residential Design Guidelines

TABLE OF CONTENTS

<i>Location Map</i>	7
Puerto Los Cabos Master Plan.....	8
1.0 INTRODUCTION	9
1.1 <i>Puerto Los Cabos</i>	10
1.2 <i>Mission Statement / Project Vision</i>	10
1.3 <i>Purpose of the Design Guidelines</i>	10
1.4 <i>Professional Consultants</i>	11
1.5 <i>Design Review Board / Supervisory Committee</i>	12
2.0 SITE DEVELOPMENT GUIDELINES.....	13
2.1 <i>Preliminary Selection Process</i>	13
2.2 <i>Building Envelope and Setbacks</i>	13
2.3 <i>Building PAD Level</i>	14
2.4 <i>Lot Coverage</i>	15
2.4.1 <i>Beachfront Lots</i>	16
2.4.2 <i>Estate View Lots</i>	17
2.5 <i>Grading and Drainage</i>	21
2.6 <i>Retaining Walls</i>	24
2.7 <i>Vehicular Access / Garage and Driveways</i>	25
2.7.1 <i>Vehicular Access and Parking</i>	25
2.7.2 <i>Garage and Driveways</i>	26
2.8 <i>Accessory Structures</i>	27
2.8.1 <i>Out Buildings: Palapas, Cabanas & Pergolas</i>	27
2.8.2 <i>Service Quarters</i>	27
2.8.3 <i>Miscellaneous Equipment Screening</i>	27
2.9 <i>Perimeter Walls and Gates</i>	27
2.10 <i>Utility / Service Areas</i>	29
2.11 <i>Site Clearing / Natural Vegetation Restoration</i>	29
3.0 ARCHITECTURAL GUIDELINES	30
3.1 <i>Design Philosophy</i>	30
3.2 <i>Architectural Styles</i>	31
3.3 <i>Massing and Site Placement</i>	31
3.4 <i>Area Calculations</i>	32

3.5	<i>Building Pad Levels / Finish Floor</i>	32
3.6	<i>Maximum Building Height</i>	32
3.7	<i>Roof Design</i>	33
3.7.1	<i>Materials</i>	33
3.7.2	<i>Colors</i>	33
3.7.3	<i>Details & Examples</i>	33
3.7.4	<i>Methods of Construction</i>	34
3.8	<i>Rooftop Patios / Pergolas</i>	35
3.9	<i>Windows, Doors and Shutters</i>	35
3.9.1	<i>Materials</i>	35
3.9.2	<i>Colors</i>	35
3.9.3	<i>Details & Examples</i>	35
3.10	<i>Architectural Details</i>	37
3.11	<i>Materials and Finishes</i>	37
3.12	<i>Color Selection</i>	38
3.13	<i>Address Identification</i>	39
4.0	LANDSCAPE GUIDELINES	41
4.1	<i>Design Philosophy</i>	41
4.2	<i>Submittal Requirements</i>	41
4.3	<i>Planting Requirements</i>	41
4.3.1	<i>Natural Zone</i>	42
4.3.2	<i>Transitional Zone</i>	42
4.3.3	<i>Private Zone</i>	42
4.4	<i>Approved Plant List</i>	43
4.5	<i>Irrigation</i>	44
4.6	<i>Walls, Gates and Fencing</i>	44
4.7	<i>Driveways and Walkways</i>	45
4.8	<i>Exterior Lighting</i>	45
5.0	REVIEW AND APPROVAL PROCESS	46
5.1	<i>Submittal Requirements for Review Processing</i>	46
5.1.1	<i>Project Presentation</i>	46
5.2.1	<i>Final Submittal Package Requirements</i>	48
5.2.2	<i>Construction Schedule</i>	53
5.3	<i>Variance Requests</i>	53



5.3.1 Requirements and Fee 53

5.4 Recourse / Response to Denial 54

5.5 Revision to Approved Plans 54

5.6 Construction Approval 54

5.7 Commencement of Construction 54

5.8 Conformance Observation 55

5.9 Final Construction Review 55

5.10 Waivers 56

 5.10.1 Non-Waiver 56

 5.10.2 Right to Waiver 56

 5.10.3 Estoppel Certificate 57

5.11 Non-Liability of DRB and Surveillance Committee 57

5.12 Accuracy of Information 57

5.13 Owner / Builder Representation 57

5.14 Regulatory Compliance 58

5.15 Design Guidelines and Regulatory Compliance 58

6.0 BUILDER AND CONTRACTOR GUIDELINES 59

 6.1 Purpose of Builder Guidelines 59

 6.2 Professional Licensure and Experience 59

 6.3 Start of Construction 59

 6.4 Contractor / Builder's Bond Requirement 59

 6.5 Construction Trailers / Portable Office 60

 6.6 Vehicles and Parking 60

 6.7 Sanitary Facilities 60

 6.8 Construction Fencing 61

 6.9 Vegetation / Landscape Conservation 61

 6.10 Debris and Trash Removal 61

 6.11 Construction Damage 62

 6.12 Excavation of Materials 62

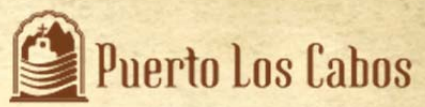
 6.13 Washout and Cleaning of Equipment 62

 6.14 Construction Site Appearance 62

 6.15 Construction Hours 63

 6.16 Noise levels 63

 6.17 Personnel / Subcontractors 63



6.18 *Temporary Construction Signage*..... 63

6.19 *Fire Protection*..... 64

6.20 *Severed Lines*..... 64

6.21 *General Practices*..... 64



We congratulate and thank you for your decision on being part of the family at Puerto Los Cabos. Many hours have gone into crafting these Design Guidelines by Architects, Engineers and the Master Planners of this Resort Community. As you and your Architect review these Guidelines the vision for protecting your property value, the natural terrain and views will be fully understood.

Enjoy your Hacienda at...

Puerto Los Cabos



LOCATION MAP

Site Map



PUERTO LOS CABOS MASTER PLAN




Puerto Los Cabos
Master Plan



- Legend
- H - Existing Village
 - TR - Residential
 - TC - Mixed Use/Commercial/Residential/Hotels/Offices
 - TS - Tourist Services (Commercial/Service/Maintenance/Offices)
 - TH - Resort Hotels (Hotels/Condominiums/Time Share/Resort Product)
 - AV - Cultural and Ecological Park
 - L - Lakes
 - E - Transportation Centers/Parking



1.0 INTRODUCTION

This resort community of Puerto Los Cabos is situated in the hills overlooking the historical town of San Jose del Cabo, the Sea of Cortez and the Puerto Los Cabos Marina and golf courses. It is where you will discover the most compelling lifestyle in all of Baja California. These Design Guidelines were crafted to insure the legacy of quality and design integrity within one of the most alluring Master Planned Communities in all of Mexico.

These carefully crafted Design Guidelines detail the procedures, restrictions and design guidance necessary to establish the precedent for superior quality inherent with the vision of the community's development and growth. This precedent shall maintain the quality of life and property values for the homeowners for generations to come.

The architecture of Puerto Los Cabos shall convey a sophisticated design sensibility as well as the values and tastes of their owners.

These Design Guidelines are organized as follows:

- Section 1: **Introduction**
This section introduces the user to the vision of the community, purpose of the Design Guidelines and structure of the Design Review Committee.

- Section 2: **Site Development Guidelines**
This section describes the planning, grading and setback issues related to the placement of residences, patios, walls and other site features on the lot.

- Section 3: **Architectural Guidelines**
This section describes the appropriate height, massing, style, color, and details for residences and accessory structures on a lot.

- Section 4: **Landscape Guidelines**
This section describes the general criteria for landscaping, selecting type, size, quality, and quantities of plant material, and strategies for complementing the natural ambiance of Puerto Los Cabos.

- Section 5: **Review and Approval Process**
This section describes the requirements for review and approval of proposed improvements before construction can commence.

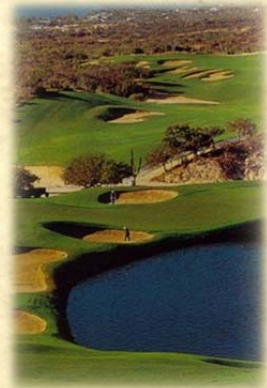
- Section 6: **Builder and Contractor Guidelines**
This section describes the requirements of the Owner and Builder during the construction process.

It is the responsibility of the Owners and their Design Team to review and understand these Design Guidelines to insure a smooth submittal and approval process.

1.1 PUERTO LOS CABOS

For those with an unquenchable passion for living, this unprecedented resort community awaits at Los Cabos' most historic setting. Surrounded by natural beauty unique in all Baja, it is home to a magical lifestyle blending age-old traditions of gracious living with the most sumptuous of modern comforts.

Offering unprecedented recreational choices with luxury ownership, fine hotels, two signature golf courses, a magnificent marina and rare cultural authenticity, it is a destination created to fulfill your ultimate aspirations.



1.2 MISSION STATEMENT / PROJECT VISION



With the recent accelerated growth in and around Los Cabos, so many have rushed towards the future that sometimes the past has been forgotten.

At Puerto Los Cabos, you'll enjoy luxury living in a community overflowing with traditional Mexican hospitality and charm.

Experience an unspoiled environment where elegance, privacy and boundless natural beauty blend harmoniously to create a healthy lifestyle and a sound investment that the entire family can enjoy.

1.3 PURPOSE OF THE DESIGN GUIDELINES

The purpose of these Design Guidelines is to provide guidance for private residential development undertaken in the resort community. Currently there are existing residences in Puerto Los Cabos that do not conform to some of the guidance provided in this document whose development preceded these guidelines. However, the guidelines are for all new construction and renovations to existing structures. This document has been prepared to provide guidance to prospective homeowners and their architects and designers before they initiate the design process.

This publication is not a zoning document but is intended to provide guidance toward potential design solutions for the goals, policies and directives contained in the Puerto Los Cabos Master Plan. As such, the guidelines provide flexibility for building designers while assuring conformance to the vision and goals for the development.

These Design Guidelines are for single family residential lots within the Puerto Los Cabos Resort Community. The purpose of the Guidelines is to ensure that the vision and integrity of the master plan area and the surrounding environment is maintained during the development of each individual lot and common area improvements. The improvements to these lots should complement the surrounding natural environment and contribute to a unified identity

and community character for the Puerto Los Cabos Resort Community. These Design Guidelines balance the need for a cohesive community identity with the need for flexibility for individual private property owners. Detailed attention to residential lot character is fundamental to enabling this real estate development to retain value for individual investors while maintaining the existing natural environment.

The creation of a community identity requires the coordination of exterior architectural and landscape designs throughout the Puerto Los Cabos Resort Community. Thus, the residential lots should complement the resort theme of Puerto Los Cabos Resort Community established by the developer through the design and construction of the public spaces and common areas of the community. These Design Guidelines outline the parameters for site planning, architecture, landscaping, lighting, signage, locating of on-site utilities and setbacks, construction, material types, and maintenance that must be followed by all individual Owners and Builders to achieve the overall identity and character for the community.



These Guidelines apply to the site planning of each lot regarding the environment, modification of the existing terrain, the preservation of views, and the contribution to the ambience of the Puerto Los Cabos Resort Community. Thus, each individual lot's topography, building pad level and setbacks, building heights, building coverage, potential privacy, views, drainage, vegetation and lot access opportunities must be analyzed and taken into consideration during the design process.

These Guidelines apply to the location of and the exterior of all new and existing buildings including building extensions, accessory structures such as palapas, terrazas, and casitas, landscaping, fences, walls, gates, pathways, patios, pools, service areas, electrical and mechanical equipment, lighting, signage (address numbers, etc.) and any other exterior construction, changes, modifications and/or maintenance thereof that is visible from, or may have an impact on adjacent lots, the environment, or the public areas of the Puerto Los Cabos Resort Community.

1.4 PROFESSIONAL CONSULTANTS

An early step in the process of designing and building a new house or planning a remodel should be the selection of a qualified and Puerto Los Cabos pre-approved architect or Designer. It will be extremely beneficial to the project if the Designer or Architect is familiar with development conditions of the Los Cabos region in general and Puerto Los Cabos specifically. Owners should start by referring to the preferred Architects and Designers list that already have been pre-approved with a history of quality service and craftsmanship within the Puerto Los Cabos community. Owners may develop their own list of potential Designers, and Architects with the assistance of other residents and observation of DRB hearings. Owners should meet potential Architects and Designers, get a feeling for the



designer's approach to residential design and visit built examples of their work. There is a wide range of talent among Architects and Designers, so it is important for the homeowner to do their homework to find the best fit for personality as well as experience.

1.5 DESIGN REVIEW BOARD / SUPERVISORY COMMITTEE

The Puerto Los Cabos Resort Community is designed to be a unique community of custom homes, high-end hotels and condominiums in separate subdivisions. The community's Covenants, Conditions and Restrictions (CC&Rs) do not list specific design items necessary for plan approval. Rather, the authority to approve or disapprove individual building and landscaping plans is given to The Puerto Los Cabos Design Review Board (DRB). The Board does not seek to restrict individual creativity or preferences, but rather maintain within the overall community the aesthetic relationship between homes, natural amenities, and surrounding neighbors. As the community matures, these key relationships will become increasingly important, requiring coordination through the design process.

The Design Review Board (DRB) along with the Supervisory Committee for each subdivision are the governing authorities to facilitate and ensure the preservation, protection, and enhancement, to the extent justified, of the special environment and community character of the Puerto Los Cabos Resort Community. These Design Guidelines are administered and enforced by the DRB in accordance with the Declaration of Covenants, Codes, Restrictions and Easements for Puerto Los Cabos Resort Community (The Declaration).

The Committee is composed of a minimum of two (2) and up to five (5) members who are intricately involved in the development of the community such as a homeowner or member of the community surveillance committee. Additionally, an architect or other design professional, which is a non-owner, may serve on or act as a consultant to the Committee.

The DRB shall include (at a minimum) a licensed architect, a licensed engineer, and a landscape architect, and has the authority to issue all formal approvals or disapprovals of proposed lot improvements. The purpose of the DRB is to evaluate each proposed design based on the appropriateness to the Lot in the context of the Puerto Los Cabos Resort Community as a whole.

Within each subdivision of the Puerto Los Cabos Resort Community (El Altillo, La Noria and Fundadores), there is an elected Supervisory Committee who represents the interest of each Village to the overall Condominium Regime Association. Each Committee has the opportunity to review, comment, and recommend approvals of each application prior to submittal to the DRB on behalf of their respective villages.

The DRB will use the Design Guidelines for the purpose of review, but may individually consider the merits of any design due to special conditions that, in the opinion of the Committee, provide benefits to the adjacent areas, the specific site or to the community as a whole.

2.0 SITE DEVELOPMENT GUIDELINES

Puerto Los Cabos is uniquely situated on rolling foothill terrain at the edge of the San Jose Estuary, providing many home sites with unparalleled views of the Sea of Cortez and the historic town of San Jose del Cabo. The site's prominence demands that great care be taken in the planning and design of each project. To this end, homes must be sensitively placed in consideration of existing topography, and are encourage to utilize varied levels to match the slope of the natural terrain and site features. Overall, preservation of existing vegetation and appropriate re-vegetation must be emphasized over the built environment to screen homes and provide a sense of community through a coordinated landscape program.

2.1 PRELIMINARY SELECTION PROCESS

Prior to selecting a particular lot, the Owner should become familiar with the terrain, site features and the land plan by ordering an accurate topography study and soils test. Each lot has a pre-defined building envelope, pad elevation, and setback restrictions which have been established by the Developer to insure equal opportunities for all homeowners. The building setbacks and envelope illustrations that follow graphically represent the placement of buildings and driveways, however individual lots will vary from the illustrations.

Every development proposal should include a thorough analysis of existing conditions on and adjacent to the site. An analysis should include a careful evaluation of a site's physical properties, building pad elevations and setbacks, natural features, special problems, visual character, and an examination of the neighboring environment. The analysis will assist the staff, Design Review Boards and the decision makers in evaluating a development's relationship to existing conditions, neighboring properties, and the community.

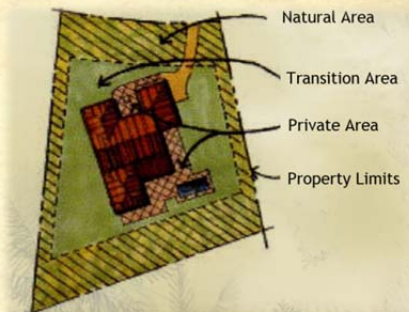
2.2 BUILDING ENVELOPE AND SETBACKS

An individual Plot Plan with approved pad level and maximum building height, boundaries and setbacks is provided to the Owner of each lot by the Developer upon closing of escrow. It illustrates the property boundary, setbacks, lot area, street and pedestrian (where applicable) right-of-way easements, utility easements, and landscape easements. As the minimum setbacks for all lots vary, please review the Plot Map that was provided in your purchase documentation supplied by Puerto Los Cabos.

The primary purpose of the minimum building setbacks is to protect the privacy of each lot, both in distance and in noise control. Minimum Building Setbacks provide ultimate benefit to the lot investment as they protect existing vegetation, create spaces for new landscaping, allow access to natural light and protect visual corridors throughout the development. For certain lots, the Building Envelope as shown on the Plot Plan may dictate greater setbacks to address special conditions unique to that lot. Buildings and structures including porches, pergolas, trellises, chimneys, railings and pools, as well as utilities such as transformers, tanks, satellite equipment, propane tanks, water treatment structures and HVAC equipment

may not encroach beyond the minimum setback line. Setback dimensions are determined from the vertical face of a structure, wall or railing to the property line.

The Building Envelope is the limit beyond which no construction activity, including grading, access, and material storage may occur. All buildings and improvements must occur within the established Building Envelope and at the approved pad level. Additionally, Buildings and Improvements are subject to height restrictions as described later in this section and in Section 3.0 Architectural Guidelines. Modifications to the Building Envelope are prohibited, except in the case of Lot Combination as allowed by the Design Review Board (DRB) (See Section 5.2 Lot Combination).



The Building Envelope is a maximum allowable area in which buildings and other structures are permitted within the established building setbacks. Screen walls, fences, berms, plant material or other elements will not be permitted to be lined up along the length of or to outline any Building Envelope border or any property line. Perimeter fences along any property line of a lot are prohibited except in circumstances with the specific approval by the DRB (such as a shared side yard fence or rear yard fence abutting a roadway outside the Puerto Los Cabos Resort).

The Puerto Los Cabos Resort Master Plan generally contains two types of single family residential Lots:

- Estate View Lots
- Beachfront Lots

Estate View Lots are generally ungraded by the Developer (except adjacent to the street and/or golf course) and include the natural vegetation that existed on the land before development of the Master Plan Area.

Beachfront Lots are those lots which some were graded to a certain level by the Developer. Others shall require submittal and approval of grading plans. Some or all of the natural vegetation on Beachfront Lots may have been removed and/or relocated.

2.3 BUILDING PAD LEVEL

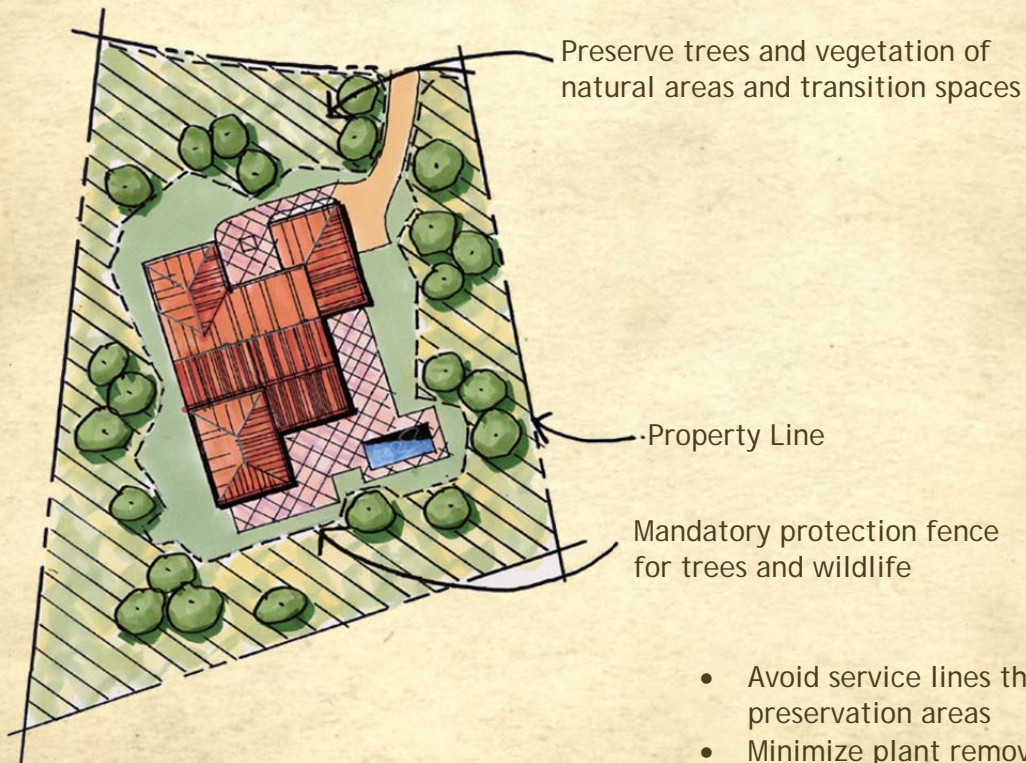
An individual Plot Plan with approved pad level and maximum building height is provided to the Owner of each lot by the Developer upon closing of escrow. The approved pad level is provided in meters and has been set according to the overall grading and drainage plans for the entire Puerto Los Cabos community. Many considerations have been incorporated into the approved pad level for each lot including but not limited to, preservation of existing vegetation and natural features, preservation of views, appropriate grading and terracing,

proper drainage and flood control, pedestrian circulation, and vehicular circulation and access. Due to the complex nature of the natural topography and the inherent value of preserving views for all residents, alterations to the approved pad level are not permitted except where a substantial amount of evidence exists for a variance. If a variance is desired, the Owner must submit a Variance Request to the DRB and Supervisory Committee who has sole and absolute discretion for final findings and decisions for approval.

2.4 LOT COVERAGE

Guidelines governing lot coverage are established based on governmental ordinance and the responsibility to protect the delicate natural environment in the Puerto Los Cabos Resort.

- The Lot area shall not be covered more than 50 percent by area under non-permeable roof or eave.
- The Building Envelope area shall not be covered more than 85 percent by area under non-permeable roof or eave.
- The Maximum Floor Area Ratio (FAR) shall be 0.5. FAR is calculated based on habitable plus non-habitable space.
- Natural vegetation and / or landscaped areas shall cover a minimum of 50 percent of the lot area

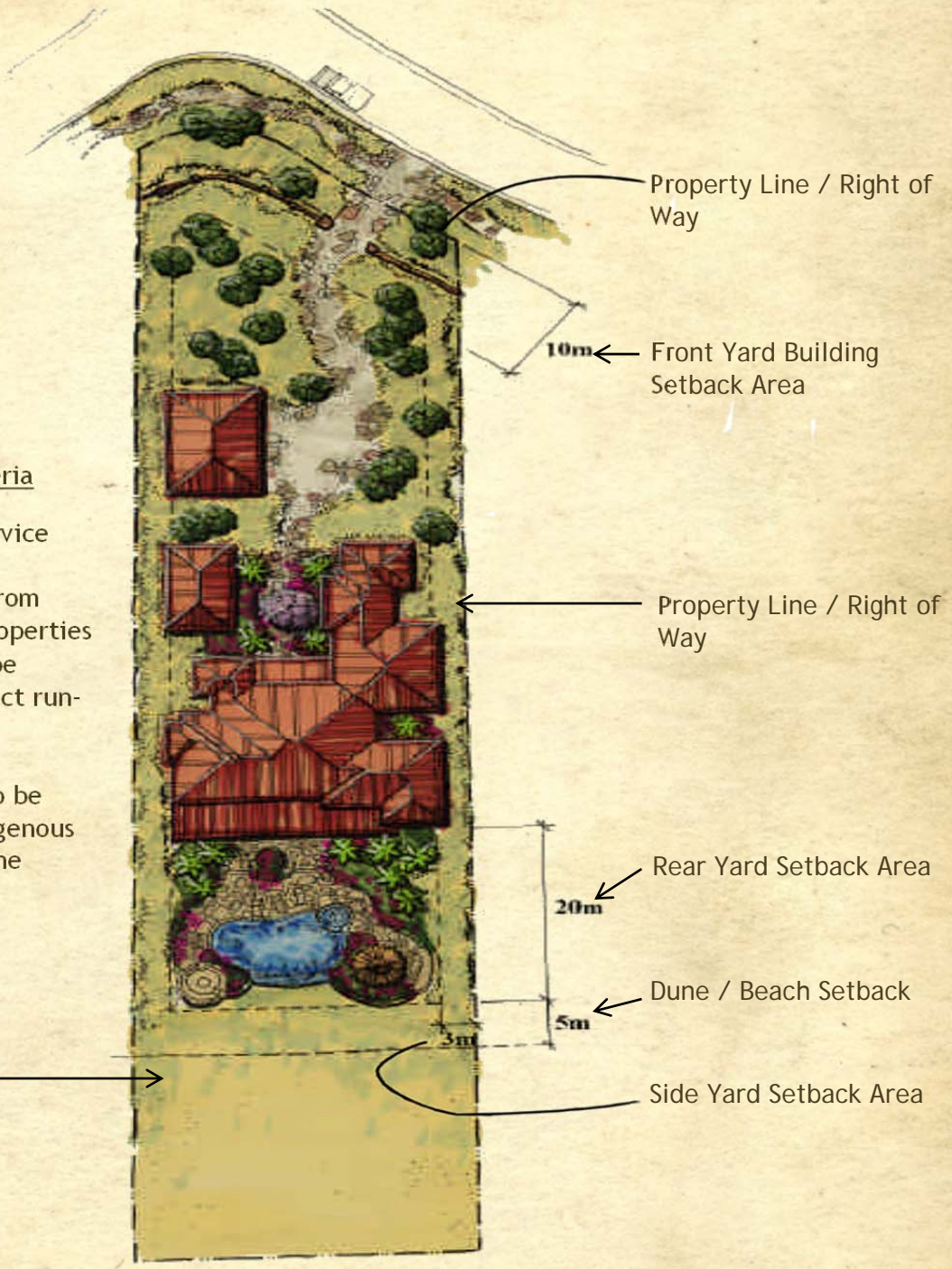


- Avoid service lines through preservation areas
- Minimize plant removal to preserve natural environment of Puerto Los Cabos

2.4.1 BEACHFRONT LOTS

Adjacent Property Criteria

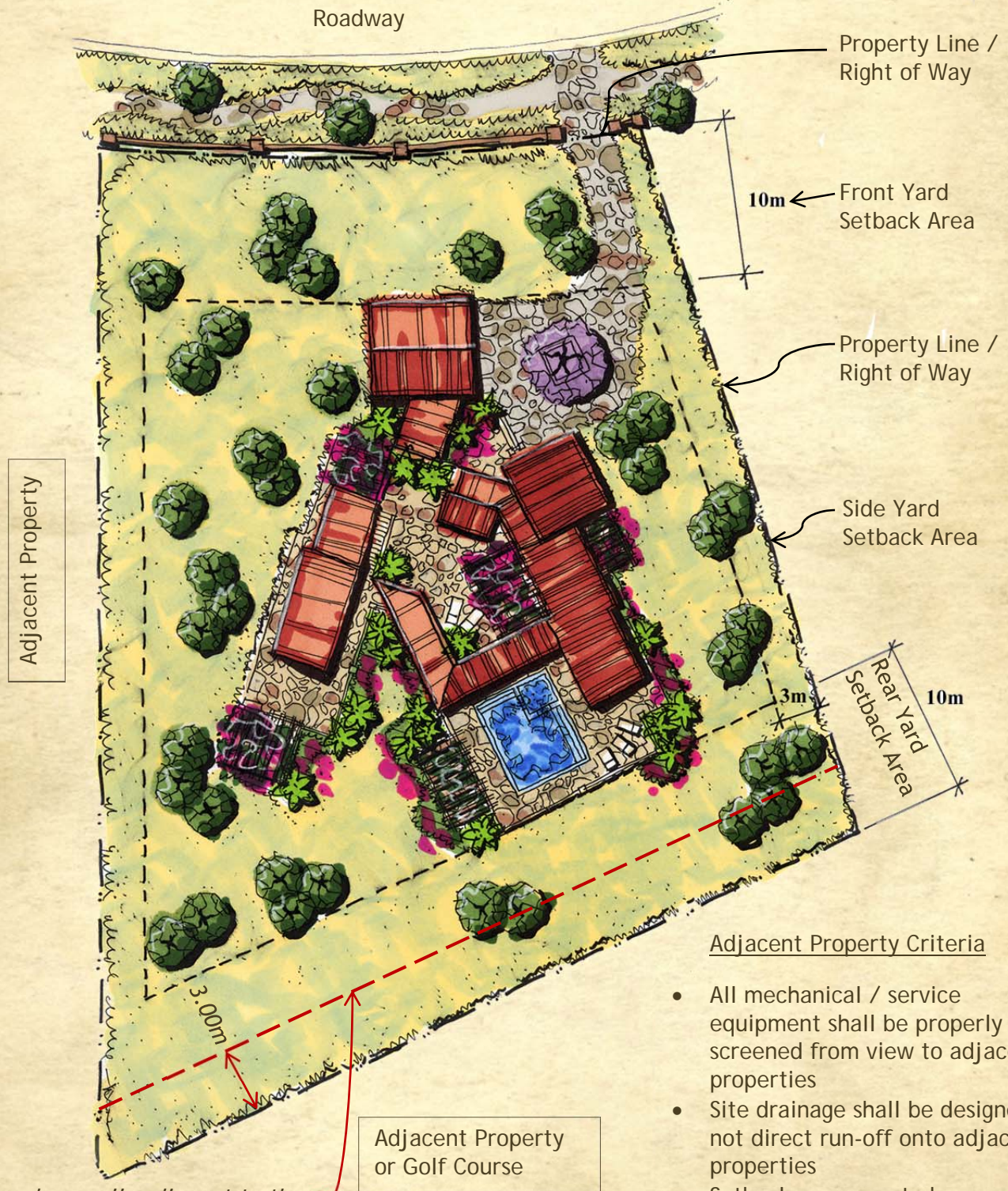
- All mechanical / service equipment shall be properly screened from view to adjacent properties
- Site drainage shall be designed to not direct run-off onto adjacent properties
- Setback areas are to be vegetated with indigenous plants to mitigate the erosion process



Beachfront Lots

- Specific Beachfront Lots will be sold with enhanced building setback areas to protect the integrity of the sand dunes and to preserve view corridors from back lots.
- Beach Access: There are three (3) access points provided for resident's beach access. Two (2) within the arroyos between Lots 6/7 and 15/16, and one access point at the Beach Club. There will be no personal access to the beach to protect the integrity of the sand dunes.

2.4.2 ESTATE VIEW LOTS



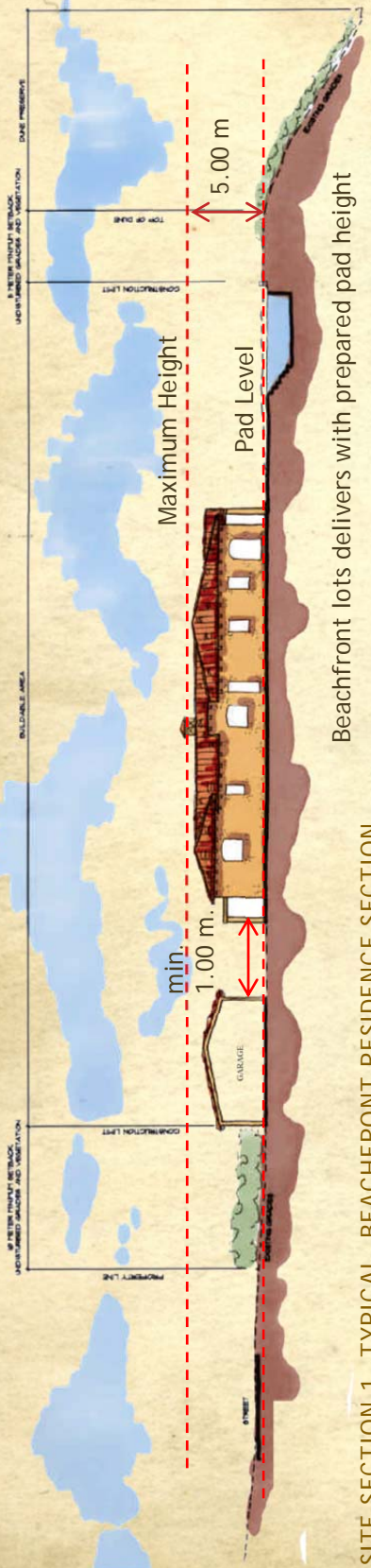
Adjacent Property

Adjacent Property or Golf Course

Adjacent Property Criteria

- All mechanical / service equipment shall be properly screened from view to adjacent properties
- Site drainage shall be designed to not direct run-off onto adjacent properties
- Setback areas are to be vegetated with indigenous plants to mitigate the erosion process

Boundary walls adjacent to the golf course, must be 3.00 meters from the property line

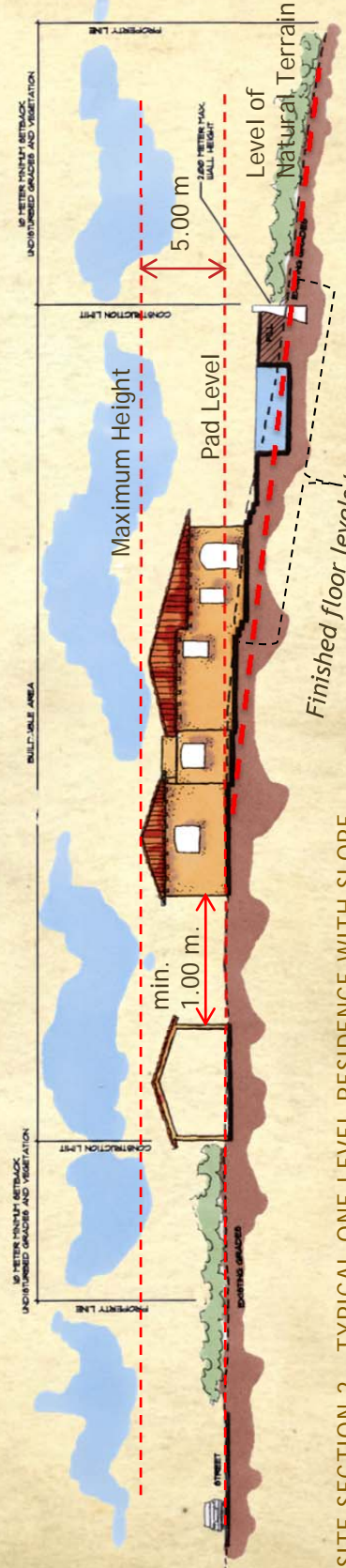


Beachfront lots delivers with prepared pad height

SITE SECTION 1 - TYPICAL BEACHFRONT RESIDENCE SECTION

Notes:

4. Building Heights are measured from pad level to the highest roof plane and shall exclude chimneys and other similar decorative elements.
5. Accessory structures (garages, carports, etc.) are limited to one level and a height limit of 5.0 meters is measured from pad level.
6. Rooftop patios, pergolas and railings should be designed to limit view impact from adjacent properties and may not exceed the maximum height limit.



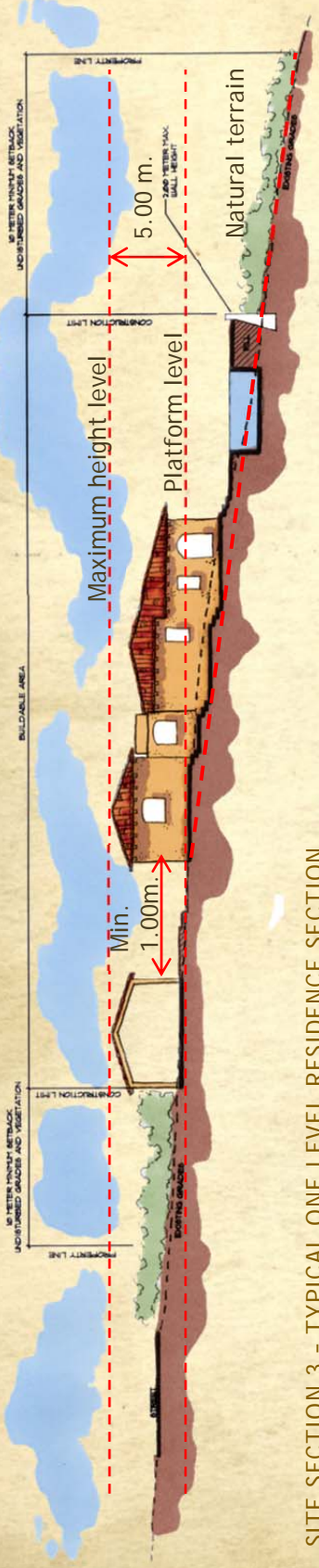
Finished floor levels to adapt to natural slopes

SITE SECTION 2 - TYPICAL ONE LEVEL RESIDENCE WITH SLOPE

(For Lots 34, 35, 181, 190, 201, 212, 213, 218)

Notes:

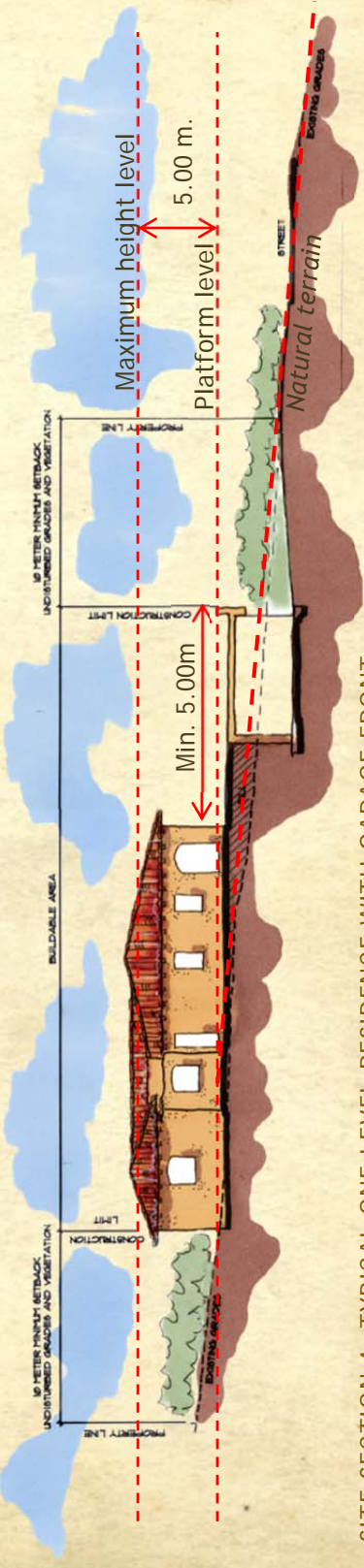
1. Building Heights are measured from pad level to the highest roof plane and shall exclude chimneys and other similar decorative elements.
2. Accessory structures (garages, carports, etc.) are limited to one level and a height limit of 5.0 meters measured from pad level.
3. Rooftop patios should be designed to limit view impact from adjacent properties and may not exceed the maximum height limit.



SITE SECTION 3 - TYPICAL ONE LEVEL RESIDENCE SECTION

Notes:

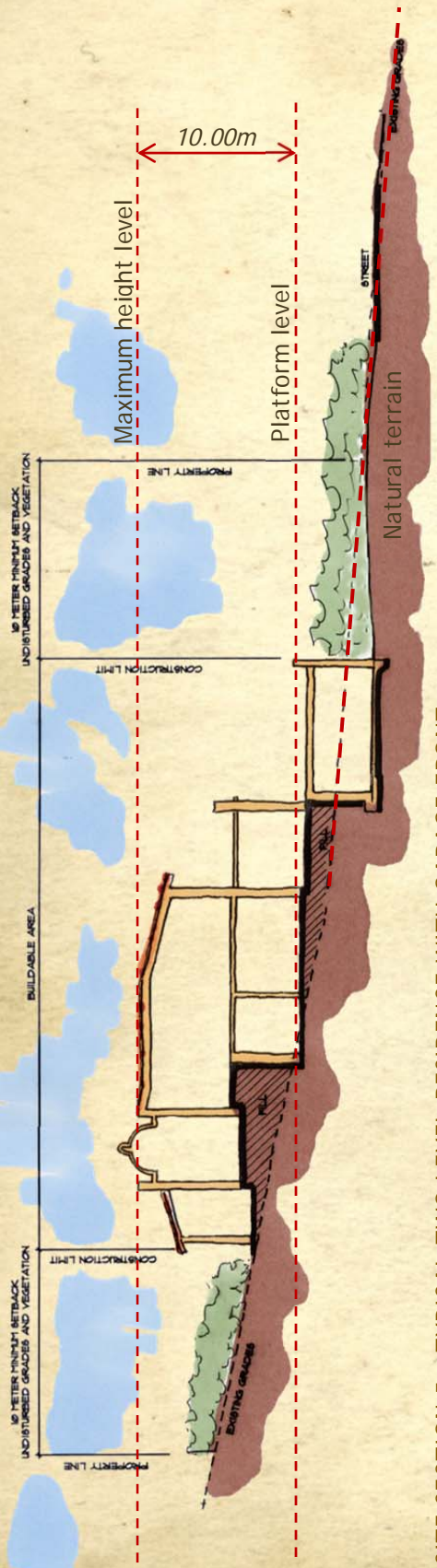
1. Building Heights are measured from pad level to the highest roof plane and shall exclude chimneys and other similar decorative elements.
2. Accessory structures (garages, carports, etc.) are limited to one level and a height limit of 5.0 meters measured from pad level.
3. Rooftop patios should be designed to limit view impact from adjacent properties and may not exceed the maximum height limit.



SITE SECTION 4 - TYPICAL ONE LEVEL RESIDENCE WITH GARAGE FRONT

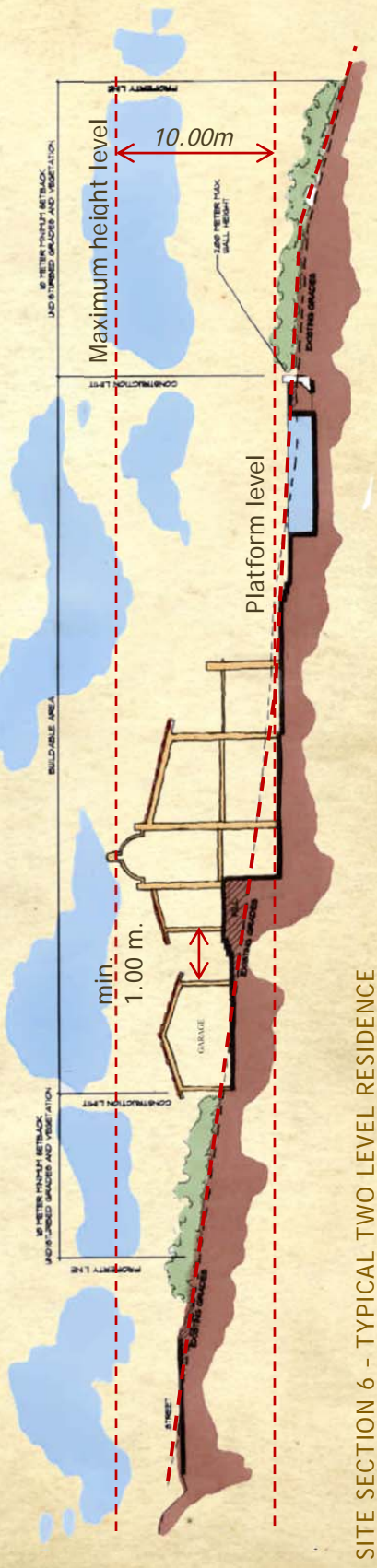
Notes:

1. Building Heights are measured from pad level to the highest roof plane and shall exclude chimneys and other similar decorative elements.
2. Accessory structures (garages, carports, etc.) are limited to one level and a height limit of 5.0 meters measured from pad level.
3. Rooftop patios should be designed to limit view impact from adjacent properties and may not exceed the maximum height limit.
4. In case the natural slope allows the placement of the garage below the designated platform, you shall provide at least 5.00 meters to separate these volumes and create the perception of a single level house.



SITE SECTION 5 - TYPICAL TWO LEVEL RESIDENCE WITH GARAGE FRONT

- Notes:
- Building Heights are measured from pad level to the highest roof plane and shall exclude chimneys and other similar decorative elements.
 - Accessory structures (garages, carports, etc.) are limited to one level and a height limit of 4.5 meters measured from pad level.
 - Rooftop patios should be designed to limit view impact from adjacent properties and may not exceed the maximum height limit.



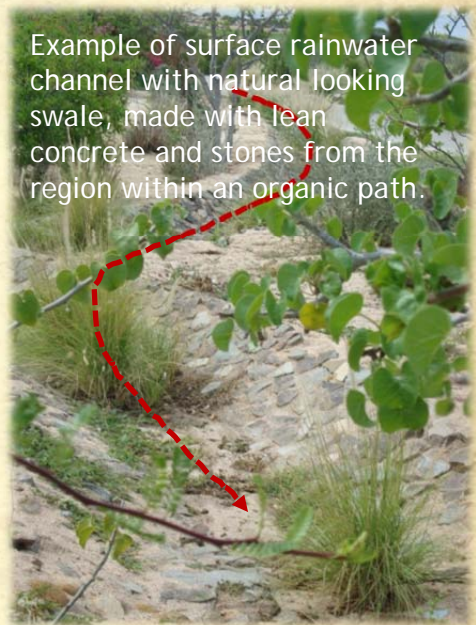
SITE SECTION 6 - TYPICAL TWO LEVEL RESIDENCE

- Notes:
- Building Heights are measured from pad level to the highest roof plane and shall exclude chimneys and other similar decorative elements.
 - Accessory structures (garages, carports, etc.) are limited to one level and a height limit of 4.5 meters measured from pad level.
 - Rooftop patios should be designed to limit view impact from adjacent properties and may not exceed the maximum height limit.

2.5 GRADING AND DRAINAGE

Site drainage and grading is to be designed to minimize grading, protect against soil erosion and sediment transport, restrict drainage to adjacent properties, and to preserve the natural vegetation and landscape. All drainage improvements are to avoid a “man-made” appearance and blend into the natural setting so as to appear as extensions of existing natural landforms.

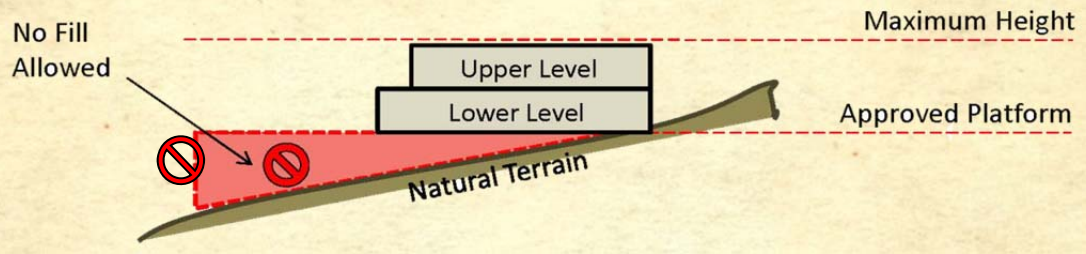
- Grading for structures is to follow the sloping topography. There will be no flat pad architecture permitted. (See typical architectural and grading solutions Pages 12-14.)
- Graded slopes are not to exceed 2:1, unless it can be demonstrated that a steeper slope will result in less disturbance to existing mature trees/vegetation and will not erode or affect adjacent properties.
- Whenever feasible, natural slopes are to be used rather than retaining structures. When structures provide the only feasible solution, they are to follow the natural contours of the land and must be terraced if retaining exceeds 2.0 meters (6’-6”).
- 2.0 meters (6’-6”) maximum retaining wall height per section
- All cut and fill slopes are to be re-vegetated with native plant materials and blended into the surrounding natural vegetation. (See Plant List Page 23)
- All topsoil disturbed by grading operations is to be stockpiled within the construction site and reused as part of the landscape restoration plans.
- Site grading and drainage within each lot is to be designed by a qualified engineer or landscape architect and to be approved by the DRB prior to construction.
- Natural drainage courses must be protected and existing drainage patterns maintained wherever feasible.
- Increased water flow off individual lots will be managed to the greatest extent possible by natural systems that retain water and encourage percolation.
- “Man-Made” drainage structures such as headwalls, retaining walls, ditches and similar drainage structures must be constructed from natural stone or be faced with natural stone and are to be similar to other stone features that are part of the public infrastructure within Puerto Los Cabos and to be approved by the DRB prior to construction.



Example of surface rainwater channel with natural looking swale, made with lean concrete and stones from the region within an organic path.

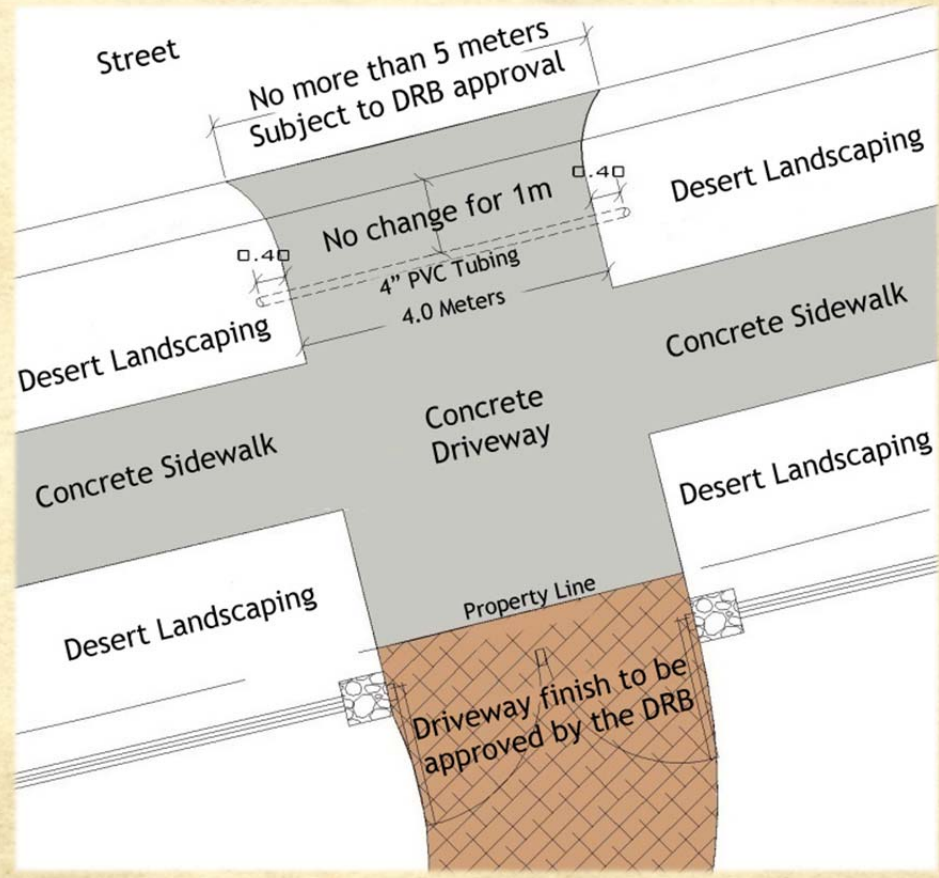


- The level for the structures should follow the topography of the slopes. Not be permitted flatbed architecture, as shown in the following sketch:

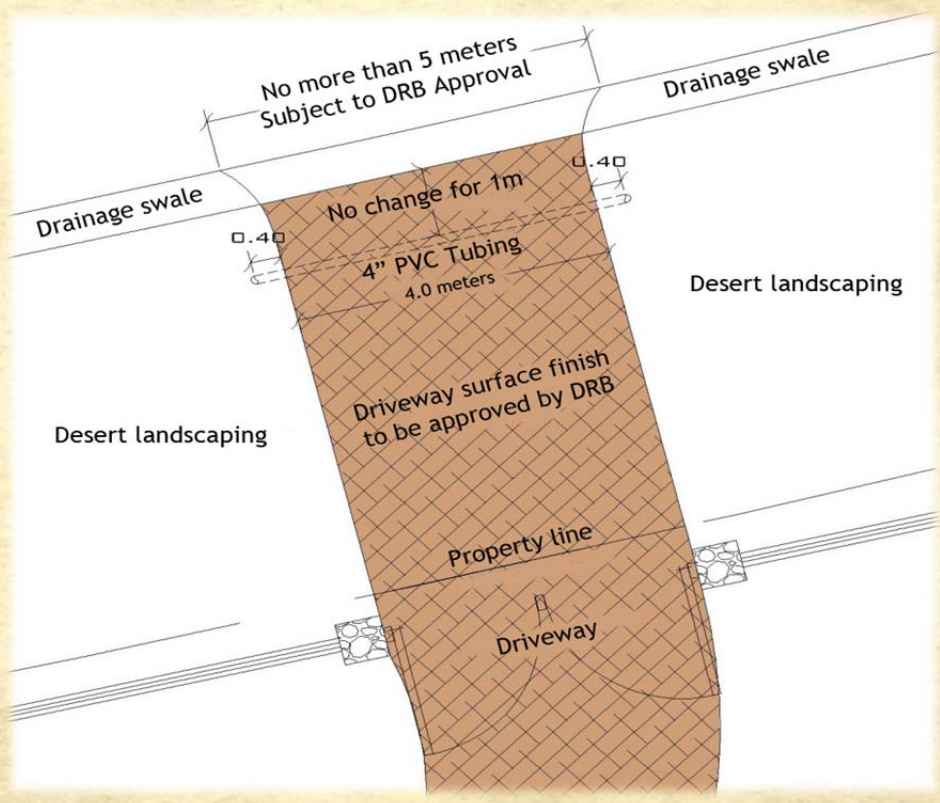


CONCRETE DRIVEWAY RAMP SPECIFICATIONS

- On lots where there is a sidewalk in front, the vehicle access ramp shall be finished in concrete and shall comply with the sidewalk level, therefore the driveway slope starts at the boundary of lot; also a PVC pipe 4 " in diameter will be installed under the ramp to facilitate future landscape irrigation or lighting as shown in the following sketch:

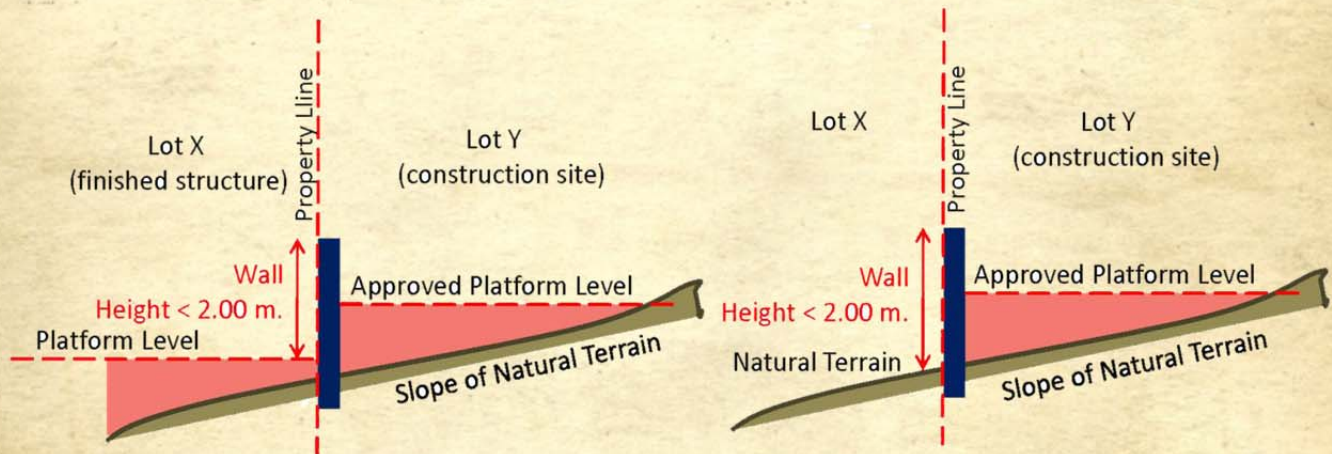
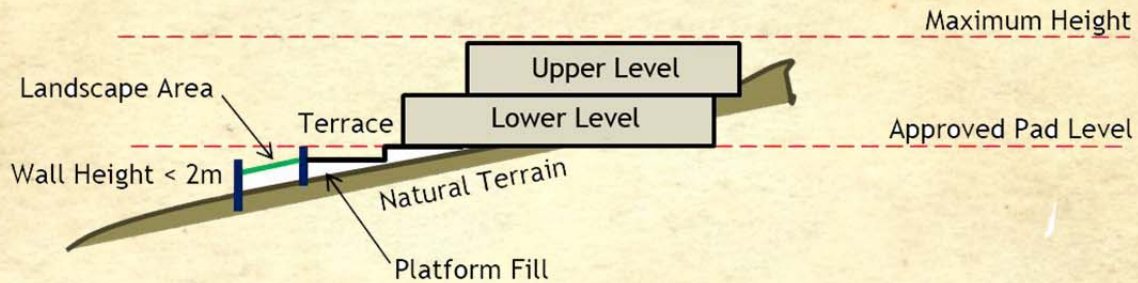


- For lots where there is no sidewalk in front, you can continue the vehicular access ramp with the same finish of vehicular access previously approved by the DRB to the garrison with respect to the natural ground level of the common area, therefore the slope starts at the boundary of the lot; also a PVC pipe 4 " in diameter will be installed under the ramp to facilitate future landscape irrigation or lighting as shown in the following example:

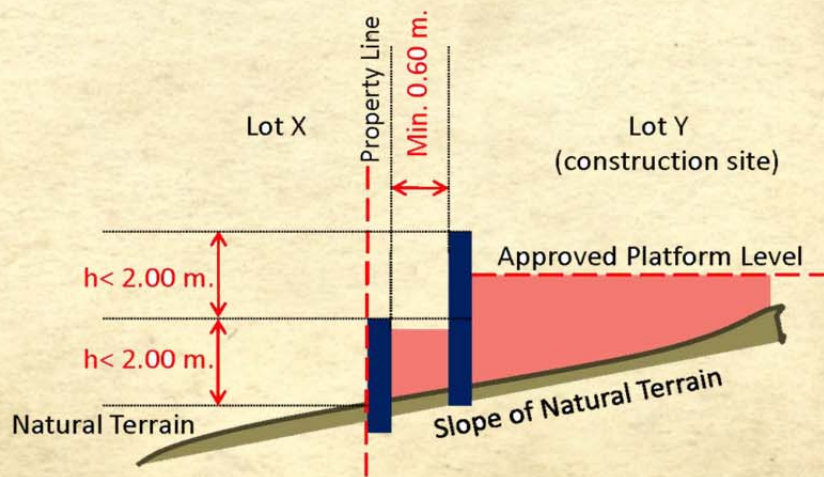


2.6 RETAINING WALLS

Whenever feasible, natural slopes are to be used rather than retaining structures. When structures provide the only feasible solution, they are to follow the natural contours of the land and must be terraced if retaining height exceeds 2-meters (6'-6"). All retaining walls must be reviewed and are subject to approval by the DRB and Supervisory Committee prior to construction and are subject to the following design guidelines:



Wall less than 2.00 m. measured from the platform built or natural ground level lower



Retaining walls separated by landscaping areas

- Retaining walls shall be designed either as a visual extension of the main structure or as a natural element in the landscape.
- Crib walls are not permitted.
- Internal retaining walls shall not exceed 1.00 (3'-3") meters in height unless approved by the DRB prior to construction.
- The maximum height for retaining walls is 2.0 meters (6'-6") above the level of the adjacent finished grade (unless previously approved by the DRB). Retaining walls in side yards may be higher (not to exceed fence height permitted) with prior approval of the DRB.
- On-site slopes with a change in elevation of more than 2.0 meters (6'-6") must be treated with multiple terraced retaining walls separated by an intermediate landscape area at least 0.6 meters (2') wide.
- Retaining walls visible from the street must be finished in natural stone or smooth finish stucco and painted in approved colors.
- Retaining walls near property lines must not affect in any way the walls, drainage, views, access or privacy of adjacent lots or common areas.



2.7 VEHICULAR ACCESS / GARAGE AND DRIVEWAYS

2.7.1 VEHICULAR ACCESS AND PARKING

Vehicular access from street to residential lots must adhere to the following criteria:

- Vehicular access to each lot is limited to one driveway access point except when two or more lots are combined together or at a corner lot condition where the lot is generally bounded on two (2) or more sides by streets. The DRB must review any request for a second driveway access point and, at its sole discretion, may approve a maximum of 2 driveway access points off the street(s).
- The location of vehicular access for Single Family Lots must be compatible with the utilities and landscaping along the street to which the lot has access.
- Guest parking is restricted to areas within the building envelope and not allowed in the transition and setbacks areas. Parking restrictions are subject to the bylaws of the CC&R's and are enforceable by means of fines or penalties.

2.7.2 GARAGE AND DRIVEWAYS

Structures associated with automobiles and golf carts shall be detached from the main structure, unless positioned under the house but may be connected with a breezeway or covered walkway. Such structures are limited to one-story and may be incorporated with the allowable 100 square meter service quarters. These structures may be closed or open, but in no situation may they orient in a way that places the garage doors facing the street.



Design criteria for Garages and Driveways include the following:

- Two enclosed garage parking spaces are required for each Single Family Residence. These spaces shall be utilized as the primary parking spaces.
- A minimum of two additional temporary guest parking spaces shall be provided within the Lot and may be enclosed, covered, semi-covered, or open. All parking spaces are exclusive of garage door opening zone, walkways, and street curbs.
- Any enclosed or covered parking spaces must be located within the building envelope.
- All trucks, jet skis, boats, towing vehicles, trailers, and approved recreational vehicles (RV) must be stored in an enclosed garage and must not be visible from the street. Or, they may be stored in a community designated RV/boat storage facility.
- Parking anywhere other than designated areas is prohibited.
- Driveways shall be a maximum of 3 meters wide at the street.
- Driveways and vehicle maneuver areas shall be configured to avoid large expanses of pavement.
- Walkways, courtyards, and patios shall be consistent with architectural style described in these guidelines and shall be concrete, stamped concrete, pavers, stone, or tile.
- Driveways shall be concrete or pavers and may have stamped patterns, colored concrete, tile, or pavers as accent features.



2.8 ACCESSORY STRUCTURES

2.8.1 OUT BUILDINGS: PALAPAS, CABANAS & PERGOLAS

Palapas, cabanas, and pergolas serve as areas of leisure allowing residents a place to read, meditate or relax while breezes and shade help to insure comfort. These structures shall be detailed similar to the porches of the main house and be constructed within the building setback areas.



Pergolas that exceed the maximum building height are not permitted.

2.8.2 SERVICE QUARTERS

These attached or detached structures are to serve as living quarters for service help. These structures shall be designed and detailed commensurate with the main house.

2.8.3 MISCELLANEOUS EQUIPMENT SCREENING

HVAC condensers, meters, storage tanks, transformers, satellite dishes and miscellaneous equipment shall be grouped and screened to minimize the impact on neighbors and the community. Screens shall be constructed of approved fences or screen wall details that must be approved by the DRB prior to construction.

If additional power is needed it will be placed in the approved location within the right of way and contained and screened by the approved typical wall and landscaping. All plans must be submitted along with the architectural plans and approved by the DRB.

2.9 PERIMETER WALLS AND GATES

Walls and gates extending from the architecture of the building to enclose outdoor rooms such as patios or courtyards or to screen utilities, may be up to 2.4 meters (8'-0") in height, and shall be compatible with that of the main structure's architecture and materials (stucco and painted to match home or natural stone).

Free standing walls may be built within the transition zone, but are not to exceed 1.4 meters (4'-6") in height (60cm (2'-0") solid wall and 80cm (2'-6") wrought iron). These walls may be constructed from local natural stone with stone joints and approved wrought



iron fencing. Columns associated with these walls must be constructed with the same material but may be capped with a cantera stone but may not exceed a total height of 1.6 meters (5'-3").

Entrance walls and gates will be permitted as well, but shall be designed to be compatible with the architectural detailing of the residence and must receive approval from the DRB prior to construction.



Gates are permitted only as a component of an approved wall, and will not be approved outside the Transition Area and may be constructed from wood or wrought iron. (see illustrations for suitable examples).



2.10 UTILITY / SERVICE AREAS

All utility services and equipment must be placed underground and all connections, meters, transformers, and junction boxes shall be kept out of sight from the street and shall not be located within building setback areas. Each Lot must include its own meters. The Association will provide infrastructure connection points for power and potable water as described in the Declaration. Where utility trenching occurs, the grade shall be restored to the pre-excavation condition with a smooth and natural appearance with appropriate slopes toward the drainage system. The location of utility trenches, rain catchment structures, and septic tanks shall be identified on the Landscape Plans submitted to the DRB for approval. The approved landscape material shall include appropriate ground cover of live and/or inert materials and avoid any potential utility system conflicts.

2.11 SITE CLEARING / NATURAL VEGETATION RESTORATION

Site clearing shall begin only after proper approvals have been obtained and significant existing vegetation has been located, identified, and protected as well as all remaining native vegetation.

“Significant Specimen Vegetation” is defined as all plant material listed as protected by the Government or has a caliper 7cm or greater. This list is to also to include all Garambullo, Vznaga, Viejitos and Pitaya Dulce.

No trees or natural vegetation shall be removed prior to submission, review, and approval of the DRB. In the event that any natural vegetation is removed without prior authorization and approval by the DRB, the owner of said property may be subject to fees and penalties for failure to comply and could be liable for the cost of repairs resulting from damages to the disruption of natural water courses, soil erosion, loss of sediment and scarring of natural landforms.



3.0 ARCHITECTURAL GUIDELINES

3.1 DESIGN PHILOSOPHY

The design philosophy for Puerto Los Cabos is derived from two fundamental, but compelling ideas. First, the architecture will be directly responsive to the natural elements. Secondly, the design vocabulary will strive for beauty through simplicity. It will be an honest approach where design, materials, and construction methods avoid unnecessary complexities. By adhering to these simple ideas, you will see an architecture integrally linked to the physical and cultural environment, with an elegance born from brevity, clarity and craftsmanship.

Puerto Los Cabos is a coastal environment within a desert climate; accordingly, comfortable living environment must respond to the need for shade and protection from the summer sun while promoting a desire to enjoy outdoor spaces. Provide shelter from the occasional rains but offer a place to enjoy them and withstand the effects of a saltwater environment but embrace its rejuvenating qualities. Also offer protection from storms while providing a serene refuge.

The architecture at Puerto Los Cabos will be defined by elements that address these issues:

- Patios/decks will provide space for leisurely outdoor living.
- Significant overhangs will provide shade.
- High ceilings and well organized plans will facilitate natural ventilation.

These elements need to be constructed from natural materials that are consistent with the local vernacular, which are logical for their appointed use and serviceable against climactic forces. Also important are the methods of construction, which will be skillfully crafted, yet simple. Simplicity in materials, design and ornamentation will mark Puerto Los Cabos. These ideas are further explained within this guide. Some fundamental material and compositional notions include:

- Restrained detailing of ornamental elements and features
- Stucco finish painted in an approved color scheme
- Roof types in tile
- Native stone walls and columns
- Overhangs, Decks and Patios
- Natural looking windows and doors with enhanced trim and appropriate closures
- Ceiling and eave treatments should be appropriate to the architectural style and may include such features as exposed wood beams and rafters if appropriate.
- Color schemes natural to the earth, ground and vegetation indigenous to the site.

It is the intention of this guide to describe a philosophy that echoes the history and character of the region. This philosophy will preserve the richness and dignity that defines the region and celebrates the traditions of Puerto Los Cabos.

3.2 ARCHITECTURAL STYLES

In order to be faithfully rendered, an architectural style needs to be fully understood in terms of the building elements and details that contribute to the authenticity of that style. These include—but are not limited to—building mass, roof form, proportion, façade symmetry and details, window proportion and design, building materials and ornamentation. The recommended architectural style encouraged for the overall theme of Puerto Los Cabos is Old World Hacienda. This style of architecture should be the inspirational force driving the design of your new home. Conflicting styles such as Modern / Contemporary will not be permitted.

The designation of the Old World Hacienda architectural style requires total commitment to that style in the design of all components of the residence.

Even in the case in which an architect develops a unique style or a composite of established styles, a consistent application of the rules and logic for the building design should be clearly and invariably evident.

In consultation with architectural style resources, massing should be inherent of the chosen architectural style. For example, peculiar volumes or roof shapes should not be employed for a certain architectural style that does not have a history of incorporating such elements.

3.3 MASSING AND SITE PLACEMENT

The mass of a building, its three-dimensional form, is evaluated for scale, bulkiness and relationship to exterior spaces. Massing that is “broken up” to reduce bulkiness is usually more successful. The massing of houses with larger footprints should be terraced to compliment the natural topography and to reduce the overall visual impact to public areas and surrounding residents. This section contains guidelines to mitigate a building’s mass and assist in design compatibility with strategies to ensure that new homes and building additions do not overwhelm their sites or their neighboring homes.

The architectural style will determine the characteristics of a building and the relationships between the various building elements.



MASSES IN SCALE WITH EACH OTHER

The various floor plan components of a building should create a diversity of massing volumes consistent with the rules of the architectural style for the building and tailored to the natural slope and elevation of the property.

CHANGES IN PLANE

A change in the wall plane of a façade should be in keeping with the architectural style of the building and should be significant enough to affect the building mass.

3.4 AREA CALCULATIONS

The building shall mean areas contained under the roof, including air-conditioned or non-air conditioned space. This does not include open decks, patios, pergolas, trellised areas and overhangs. Total square meters of building allowed is noted on individual lot inserts. Depending on the individual lots, a second story may be added but must be orientated in such a way as to minimize view obstruction from lots behind. Each lot may be allowed one detached 1-story structure "service quarters" with a maximum 100 square meter foot print so long as the structure can be located within the approved building envelope outlined by the approved building setbacks.

3.5 BUILDING PAD LEVELS / FINISH FLOOR

Each lot at Puerto Los Cabos has been designated with an approved building pad level to assure view corridors are maintained and all residents of the community are allowed the same maximum utilization of their properties. Many considerations have been incorporated into the approved pad level for each lot including but not limited to, preservation of existing vegetation and natural features, preservation of views, appropriate grading and terracing, proper drainage and flood control, pedestrian circulation, and vehicular circulation and access.

The lots at Puerto Los Cabos are left natural for the owner to develop their plans to compliment the natural terrain and vegetation. Due to the complex nature of the natural topography and the inherent value of preserving views for all residents, alterations to the approved pad level are highly discouraged except where a substantial amount of evidence exists for a variance. If a variance is desired, the Owner must submit a Variance Request to the DRB and the Supervisory Committee in accordance with the requirements outlined in Section 5.3 Variance Requests. The outcome of any variance whether permitted or withheld is at the sole discretion of the DRB and Surveillance Committee.

3.6 MAXIMUM BUILDING HEIGHT

The intention of height restrictions is to encourage a massing of buildings that will minimize the visual impact of Puerto Los Cabos on the surrounding environment and maximize opportunities for each resident to capture the best possible views.

First story building heights generally may not exceed 5.0 meters (16'-6") with the second story maximum building height at 10 meters (33'-0"). Enclosed or air conditioned space will not be allowed above the 10 meter maximum height, however an open deck or walk is allowed as long as all components of the open deck or walk stay below the highest point of the roof. Thought must be taken during the landscape design to insure fully mature landscaping does not project above the maximum building height limit.

Building height limits are measured from existing approved pad level to the ridge height of the highest roof and shall exclude chimneys, weathervanes and other similar decorative elements. See Typical Site Sections in this document for examples.

3.7 ROOF DESIGN

The practical intention of the roof is to provide protection from the elements. Complementing the practical components of the roof is the nature of the craftsmanship that goes into the aesthetics of the design. Such protection and aesthetics are defined as follows:

3.7.1 MATERIALS

Roof materials are limited to a hand crafted clay barrel tile of a natural color and are subject to review and approval by the DRB and Surveillance Committee.

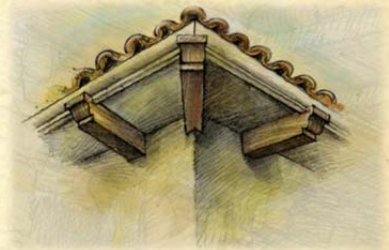
3.7.2 COLORS

Roof colors will be limited to the natural colors of the clay tile, in which all will be subject to DRB and Surveillance Committee approval. Painted roof tiles are NOT permitted.

3.7.3 DETAILS & EXAMPLES

Roofs may have a minimum slope of 25% and a maximum slope of 30%.

The main body of the roof structure should be comprised of predominately gabled, hip, and compound hip structures accented by faceted, shed, and flat roof components not to exceed 30% of the total roof structure.



Domes may be used but the maximum peak of the dome can not exceed the roof peak. The Linternilla may exceed the peak by 60cm (2'-0") maximum and the color of the dome must match the main body of the home and /or color of the roof tile and must be approved by the DRB prior to construction.

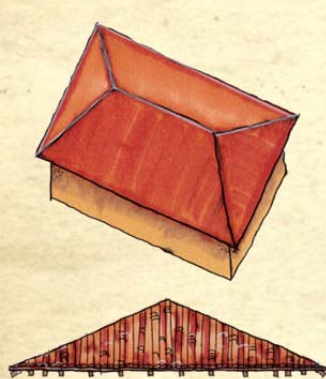
The use of solar energy producing devices (active and passive) and personal satellite dishes are entirely subject to DRB approval, and in all cases must be completely hidden from view from street and

adjacent properties.

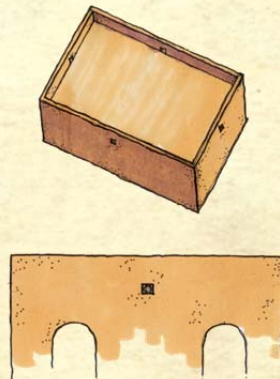
3.7.4 METHODS OF CONSTRUCTION

Roof overhangs are an essential part of the home. Typical roof overhangs should be a minimum of 60cm (2'-0") from the face of the home, although overhangs should be maximized wherever possible to incorporate balconies, decks, and porches, which provide shelter from the sun and occasional rain.

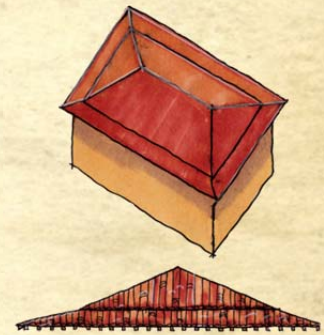
The detailing of these overhangs should allow for a clear understanding of the nature of the craftsmanship and use of material, such as simply profiled exposed rafter tails or scalloped rakes if deemed appropriate for the architectural style.



Hip Roof



Flat / Parapet Roof



Compound / Hip Roof



3.8 ROOFTOP PATIOS / PERGOLAS

Rooftop patios with Pergolas or roof coverings that exceed the maximum allowed height limit for the lot are not allowed under any circumstance.

3.9 WINDOWS, DOORS AND SHUTTERS

3.9.1 MATERIALS

Wood frame windows are strongly suggested, as are the use of decorative wood and/or glass paneled doors. Aluminum and PVC constructed windows with faux wood finishes may be used as an alternative to all wood windows.

Cantera stone is also strongly suggested as an architectural accent around windows and doors along the front and rear of the home.

3.9.2 COLORS

Window trim and shutters are to be a natural dark wood, stained to accent the true richness of the material. Aluminum and PVC constructed windows must have faux wood finishes. Samples will be provided at the sales center.

3.9.3 DETAILS & EXAMPLES

Front doors should make a strong architectural statement. Wood or glass exterior doors are recommended to exceed a height of 2.15 meters. The use of double front entry doors or doors enhanced with wood or stone columns are encouraged. Sliding patio doors are not permitted where they are visible from the street door entrance.

Security may be added to the windows and doors but will be done from a limited pallet of simply detailed wrought iron systems.

Hurricane protection must be made from a non-reflective finish in an approved color matching the main body of the home and must be concealed from view except when deployed in a storm event. Fabric protection systems may be used if they meet these criteria. These protection systems will only be allowed to remain in place during the hurricane season from August through October.



3.10 ARCHITECTURAL DETAILS

The details at Puerto Los Cabos will ultimately define this architecture. While specific elements of composition were addressed earlier, this section focuses on the little extras that give the resort its distinction.

COLUMNS

Columns should be strong yet simple in detail and constructed from cantera stone, natural stone in a random pattern with stone joints, monolithic wood or block with plaster and stucco finish painted with an approved color by the DRB.

RAILINGS

Deck railings, fencing, gates and window and door protection devices should all be simply detailed and constructed from wrought iron. All iron work must be consistent throughout the individual property and be painted or powder coated to prevent rust.



CHIMNEYS

Chimneys shall be comparable to the main structure of the home and finished either with natural stone, or plaster and stucco, which the color must match the main body of the home. The chimney may include decorative elements such as tile or brick accents but must not exceed 1 meter above the peak of the roof line.



3.11 MATERIALS AND FINISHES

Building materials and the embodiment of their physical properties and characteristics are important components in the delineation of an architectural style. This section offers guidelines for a number of issues to consider in the selection and application of building materials. An emphasis on natural materials should be considered during the design process.

RESIDENTIAL CHARACTER

Building materials should be consistent with the architectural design style of the residence.

APPROPRIATE DETAILING

The choice of materials should be properly scaled to the residence.

Overly large areas of glass should be avoided unless appropriate to the architectural style and should not be visible from the street.

APPROPRIATE PALETTE

Building materials should not be individual components of a building but should instead fit into the larger design palette consistent with the style.

Physical properties of the materials, such as texture, color and weight, should maintain an aesthetic and stylistic relationship to each other and the architectural design style of the building while blending with the natural landscape.

QUALITY OF MATERIALS

Building materials and architectural finishes should possess physical properties and allow for appropriate maintenance procedures that ensure a long lifespan for the selected material.

The specified building materials or architectural finishes should be appropriate to the architectural style of the residence.

EXTERIOR PLASTER

Exterior plaster stucco is an appropriate material for many architectural styles. The application of plaster stucco should be carefully specified to be consistent with both the architectural style and the neighborhood context.

Many techniques for the application of plaster stucco can be observed in Puerto Los Cabos. Where its use has proven most successful is on those homes for which designers have utilized techniques such as modulation of the surface texture, integral color and specific attention to the design and arrangement of control joints to maintain a consistency with a particular architectural style.

STONE

The use of stone should be in keeping with its inherent physical properties of weight and compressive strength. When using stone as a veneer, it should be considered carefully and the design should be detailed in a way that avoids a non-authentic appearance. The veneer should represent as much as possible the inherent materiality of stone as a heavy, weight-bearing material and reflect the appearance of the natural stone available throughout the local community.

3.12 COLOR SELECTION

The color Palette for Puerto Los Cabos will be common and familiar as the style of architecture. Composition of the color pallet is derived from the earth and vegetation indigenous to the site. The naturally occurring colors of the surrounding environment have a tendency to be lightly saturated with a muted or grayed patina due to constant exposure to the climate. The examples below represent a color philosophy that will harmonize the honest architectural expression of the homes with the soft, naturally occurring hues of the surrounding environment. Variance from the natural color palette will not be permitted and

any color used that has not received approval from the DRB and Supervisory Committee will be subject to fines and penalties until brought into compliance.

APPLICATION

The colors are organized into two categories: base colors (body), and accent colors (trim). The color philosophy for the home is to contrast the body of the home with specific architectural elements of the home. Using the light base colors on the body of the home and using the accent colors in a limited application to highlight special details of the architecture such as cupolas, corner details, columns, and railings.

BODY

Refers to the main exterior stucco walls of the home.

TRIM

Wood trim will not be painted. It will only be stained and treated in such a way to protect and bring out the natural beauty, color and grain of the material.

We offer the following color matrix as a general guide to the application of exterior color to your Puerto Los Cabos home. The selections provided here are meant to summarize a range of colors to select from. Other color selections not shown in the matrix may be used with prior approval of the Design Review Board.



Please note that the printing techniques used to produce this “Design Guidelines” booklet cannot accurately reproduce the true color samples. Actual color chips are available for your review and selection in the Puerto Los Cabos Sales Center.

Final specified colors may be either color-matched to an approved brand of exterior paint, or an alternate color may be selected with prior approval from the DRB. All samples shown here are from the Pantone Pastel Palette.

3.13 ADDRESS IDENTIFICATION

Individual address identification shall be subtle in design and coordinate with Architectural style and the character of the Puerto Los Cabos Resort Community. The numbers shall be displayed in a location plainly visible and legible from the street or access drive fronting the property. Said numbers shall contrast in color with their background preferably in a dark color

such as black or brown and be made from durable materials such as wrought iron or painted metal.

The minimum sizes of the numerals shall be as specified by the following:

- Four (4") inches in height, minimum, 0.5" minimum stroke width
- Illuminated during all hours of darkness and equipped with a light-sensitive device that will turn the light off during daylight hours. Any device employed to turn the light on and off shall be fully automatic and function without routine human intervention.
- May require an additional sign at the street when dwelling is set back from the street and visibility is poor.
- Vegetation or other site features shall not obstruct addresses numerals.

4.0 LANDSCAPE GUIDELINES

4.1 DESIGN PHILOSOPHY

The goal of the Design Review Board (DRB) is to promote the sensitive enhancement of the environment by encouraging an on-going planting program that has a natural theme, to minimize disturbance of the existing ecological systems and to preserve the site's unique vegetation. To this end, owners and their designers are strongly encouraged to retain as much of the existing vegetation on their site as possible. (See Section 4.4 for plant list).

4.2 SUBMITTAL REQUIREMENTS

A comprehensive landscape plan and plant list will be required for all proposed home site construction projects. This will ensure that the unique elements that create the visual appeal of the community are preserved and enhanced, and that any proposed vegetative improvements remain consistent for the benefit of all.

The DRB reserves the right to approve or disapprove any such submission, and may at its sole discretion, make suggestions or require modifications which may be appropriate to bring the proposed landscape plan into compliance with the Design Guidelines.

The DRB may require a minimum of ten percent of the total estimated construction cost and lot value to be applied toward the landscaping (excluding any automatic irrigation systems) to insure a mature appearance following installation.

The DRB retains the right to increase landscape expenditures, at its discretion, to a maximum of ten percent. For this reason, the protection and retention of existing vegetation during site clearing and construction is mandatory and any unauthorized removal is subject to fines and penalties.

The Landscape Plan shall be prepared and submitted to the DRB at the same time and approved concurrently with building plans. An Irrigation Plan, at the same scale as the Landscape Plan, showing the layout of an automatic sprinkler system, shall also be submitted. Two copies of the landscape documents shall be delivered to the DRB for review and comments. No installation work may commence prior to receipt of the DRB's written approval of the landscape documents.

4.3 PLANTING REQUIREMENTS

Each lot within the community is made up of three major landscape zones: Natural Areas, Transitional Areas, and Private Areas as described in the Site Planning section of this document.

4.3.1 NATURAL ZONE

The Natural Areas are the areas outside the building envelope. These areas shall remain undisturbed or shall be re-vegetated into their natural state. No statues, sculptures, depictions or artifacts will be permitted in the Natural or Transitional Areas except for street address monuments that have received approval by the DRB prior to construction.

4.3.2 TRANSITIONAL ZONE

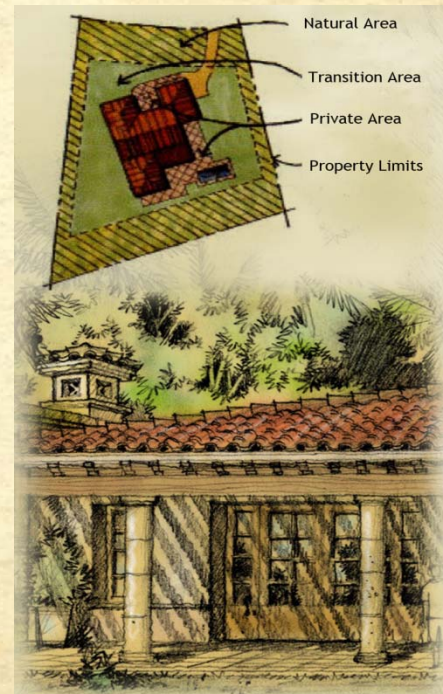
The Transitional Areas, adjacent to the natural edges, will be limited to the selected native specimen trees, shrubs and ground covers to harmonize with the existing native plant materials and to stabilize the soil for erosion control.

4.3.3 PRIVATE ZONE

The Private Areas around the home shall include plant materials selected from the Approved Plant List. Seasonal annual beds and turf are only acceptable for use within enclosed Private Areas. This includes courtyards but does not include Transitional Areas that are not enclosed. Seasonal Annuals may also be used within pots or containers as accents.

Mature landscaping that has potential to exceed the maximum allowed height limit (such as coconut palms) is not permitted.

Exception: native annual species indicated on the Approved Plant List are acceptable for use in Transitional Areas. The addition of any plants not found in the Approved Plant List requires approval by the DRB for plant type and proposed location. Removal of plants and other landscaping on any lot is subject to the review of the DRB and any unauthorized removal is subject to fines and penalties.



4.4 APPROVED PLANT LIST

Because it is difficult to list every acceptable plant material, the DRB will consider other plant materials upon request. The DRB reserves the right to refuse any plant material that, at its discretion, will not be compatible with the Puerto Los Cabos community image or is not beneficial to the environment.

The home Owner shall be responsible for providing full landscaping in all areas within a period of 90 days from completion of home construction and be completed within the two year maximum building time period.

Trees	
Botanical Name	Common Name
Bursera Hindsiana	Torote Prieto
Bursera Microphylla	Torote Colorado
Cercidium Peninsulare	Palo Verde
Cyrtocarpa Edulis	Ciruelo
Ferocactus Diguettii	Biznaga
Lysiloma Candida	Palo Blanco
Pachycereus	Cardon
Palms	
Phoenix Dactylifera	Datilera
Washingtonia Robusta	Palma Blanca
Washingtonia Filifera	Palma de Abanico
Shrubs	
Agave Deserti	Maguey
Agave Sobria	Lechuguilla
Atriplex Californica	Chamizo
Cochemia Poselgeri	Biznagita
Echinocereus Pacificus	Pitayita
Ferocactus Peninsulae	Viznaga
Ferocactus Diguetti	Viznaga
Fouquieria Splendens	Ocotillo
Lemaireocereus Thurberi	Pitaya Dulce
Lophocereus Schottii	Garambullo
Mammillaria Tetrancistra	Viejita
Nerium Oleander	Oleander
Opuntia Acanthocarpa	Cholla
Opuntia Basilaris	Nopal
Ground Cover	
Abronia Spp.	Alfambrilla
Bougainvillea Spectabilis	Bougainvilla Roja
Eschscholzia Californica	Amapola Amarilla
Juncus Acutus	Junco
Lantan Spp.	Lantana
Uniola Paniculata	Sea Oats
Natural Grasses	--
Vines	
Antigonon Leptopus	San Miguel
Jacquemontia Abutiloides	Campanilla

4.5 IRRIGATION

All elements of irrigation systems should be designed to minimize water usage through xeriscape practices.

- All landscape plantings shall be maintained by a fully automatic underground watering system.
- When using sprinklers, care should be taken to avoid overspray on patios, sidewalks, streets and driveways, "hardscapes", structures, windows, and adjacent properties.
- Native Vegetation does not require additional water; therefore, irrigation of Natural Areas is not permitted (unless needed to establish restored areas as approved by the DRB).
- Mature trees that have been transplanted require irrigation for three to five years or until established. The irrigation watering schedule must be decreased over a two to three year period to condition the plant to a naturally occurring watering schedule.
- Other small native plant materials may be irrigated for a year or until established.
- It is critical that irrigation systems be monitored to avoid over watering.
- Grey water systems may be an acceptable alternative for irrigation watering provided that the water is chlorinated and does not produce any odors.
- A qualified landscape architect or horticulturist should assist with seasonal requirements for the plant materials and provide an irrigation schedule.

It is required that landscape irrigation installation be completed on the same schedule as home construction and be completed within the two year maximum building time period.

4.6 WALLS, GATES AND FENCING

Walls and gates extending from the architecture of the building to enclose outdoor rooms such as patios or courtyards or to screen utilities, may be up to 2.0 meters (6'-0") in height, and shall be compatible with that of the main structure's architecture and materials (stucco or stone).

Free standing walls may be built within the transition zone, but are not to exceed 1.4 meters (4'-8") in height (60cm solid wall and 80cm wrought iron). These walls may be constructed from local natural stone with stone joints and approved wrought iron fencing. Columns associated with these walls must be constructed with the same material but may be capped with a cantera stone but may not exceed a total height of 1.6 (5'-4") meters.

Entrance walls and gates will be permitted as well, but will be a standard design uniform throughout Puerto Los Cabos. Deviations in detailing will be permitted with prior approval from the DRB.

Gates are permitted only as a component of an approved wall, and will not be approved outside the Transition Area and may be constructed from wood or wrought iron. (see illustrations for suitable examples). Gates may use an automated closing system provided that the system is not visible from the street or is concealed below grade.

4.7 DRIVEWAYS AND WALKWAYS

Driveway widths should be a maximum of 3 meters (10'-0") in width except for the arrival courtyard driveway entries should be from near the edge of the side property line. Any secondary driveways or walkways are not allowed unless reviewed and approved by the DRB and Supervisory Committee.

Drive and walk surfaces shall be natural stone laid in a random pattern to match walls and architecture.

4.8 EXTERIOR LIGHTING

Exterior lighting may be provided for safety and security and may be either 12v or 110v systems. Recessed or down lighting, and vertical landscape lighting are acceptable; however, floodlights are prohibited.

No lighting should be located as to interfere with vehicular traffic or become a nuisance to neighbors by adversely affecting the nighttime environment of adjacent properties. The DRB will approve all post mounted and building mounted fixtures that are visible from other properties.

Lights associated with walls may only be placed on the entrance columns.

At no time shall fluorescent lighting be approved.

Two sets of Lighting Plans shall be submitted along with the building, landscaping, and irrigation plans for review and approval of the DRB. The lighting plan shall be a plan view drawing showing the location of all exterior lighting fixtures. Distinctive and clearly marked symbols shall be utilized to show the location of each type of proposed fixtures.



5.0 REVIEW AND APPROVAL PROCESS

The following is an outline of the procedures for plan submissions for a single-family residence within the Puerto Los Cabos Resort Community.

All plans are to be submitted to the Design Review Board for review and must be approved by the DRB. Once approved, applications are valid for one year from date of approval. After one year, applications expire, become invalid and shall require a resubmittal to the DRB.

If the applicant wishes to proceed with the project after the application expiration date, the applicant must apply for a new approval and obtain a new application from the Home Owners Association.

The project review process is to be carried out through three stages, the first two are non-binding (Conceptual and Preliminary) and without cost to determine the suitability of a particular design to solve potential problems before investing time and money in preparing Final Submittal and construction documents.

5.1 SUBMITTAL REQUIREMENTS FOR REVIEW PROCESSING

Preliminary drawings, including all of the exhibits outlined below, shall be submitted to the DRB in order to determine suitability of a particular design for Puerto Los Cabos. This submission is mandatory to resolve potential problems before going to the time and expense of preparing a final submittal or complete construction documents.

Preliminary Submittals must be submitted fifteen (15) business days in advance of a regularly scheduled meeting at which they will be discussed (Dates of regularly scheduled Committee meetings are available from the DRB).

The DRB or their designated representative will render an opinion whether the conceptual submittal is acceptable or will provide comments to bring into compliance. The opinion will be strictly non-binding and will be offered in an effort to save the applicant time and expense.

5.1.1 PROJECT PRESENTATION

CONCEPTUAL DESIGN SUBMITTAL

- Request for review signed by the owner or owner's representative.
- Booklets with the residence design concept, type of architecture, etc.
- Schematic sections depicting the relationship between different floor levels and the natural slope of land, neighboring lots as well as maximum heights and building envelope.

PRELIMINARY DESIGN SUBMITTAL

- Request for review signed by the owner or owner’s representative.
- Overall architectural plans, all exterior elevations and two sections at a minimum, referenced to the approved platform level with a legible scale, and accurate computation of all project areas.
- Plan with survey showing restrictions, easements, existing trees, location of service entries, records and other materials relevant to the review.
- Platform plan depicting all levels, retaining walls and other proposed changes to the natural terrain.

NOTICE OF PRELIMINARY SUBMITTAL

Within three (3) working days after the submission of a complete Preliminary Submittal, the DRB will:

- 1) Post a notice at the Lot; and
- 2) Provide written notice to all Owners of Adjacent Lots within 50 meters of the subject Lot stating that drawings have been submitted with respect to the Lot and will be available for review by/other Owners during the period stated in the notice.

Written comments may be submitted to the Committee regarding the posted Lot up until two (2) calendar days prior to the scheduled meeting date stated on the notice.

Written notice to Owners of Adjacent Lots within 50 meters of the subject Lot will be sent to the mailing address listed with the office of the Association used for the mailing of Association account statements. The Committee is not responsible for notices that are not received by Owners of Adjacent Lots due to failure or timing of the Mexican or any Postal Service of the country where adjacent owner resides, incorrect addresses or failure of the Owner to pick up mail in a timely fashion.

Owners wishing to review a submittal are required to set up an appointment with the Design Review Coordinator, or designee, to review the submittal. Personal appointments with Association or DRB staff must be scheduled a minimum of two (2) working days in advance and are subject to time availability. Personal reviews are provided only as a courtesy. No drawings, photos or information will be mailed, faxed or delivered to interested parties. Comments must be submitted in writing two (2) calendar days prior to the scheduled meeting date stated on the notice. Owners or interested parties are not allowed to attend the DRB meeting unless specifically requested by the DRB. Incomplete plans or plans lacking required detail or specifically requested information will be returned until completed and shall not be reviewed by the DRB until such time.

FINAL DESIGN SUBMITTAL

- Request for review signed by the owner or owner’s representative.
- Addition to the same information requested in the previous paragraph, final design submittal shall include: site plans, landscaping, exterior lighting, exterior finishes,

stormwater drainage, location and / or identification of special features (such as drainage ditches, dunes, adjacent structures, etc.) as also described in Section 5. 2.

- Mechanical equipment locations and details of concealment.
- Submit non-refundable review fee.

FINAL SUBMITTAL REQUIREMENTS AND FEES

Submittal documents shall include, but need not be limited to:

- The Application Form which is supplied by the DRB, with all the information completed. Also include a letter request for review signed by the property owner or legal representative of the owner.
- A site plan at 1:100 or other suitable scale showing all trees with a caliper greater than 10 cm at a height greater than 50 cm above grade, all grades, horizontal and vertical improvements with pertinent dimensions, setbacks, easements, etc.
- All floor plans, which may be shown on the site plan.
- All elevations that define the exterior.
- Two (2) building and site sections that show the relationship of the structure to the land for height restrictions
- A sample board and list of materials with their corresponding locations
- A landscape plan showing softscape and hardscape areas as well as location and type of exterior lighting.
- A non-refundable Design Review Fee of four thousand dollars (US \$4,000.00) must accompany the submittal. In the case of an addition or modification to an existing home, the Design Review Fee will be based on the total area under roof of the addition calculated at one dollar (US \$1.00) per square foot.

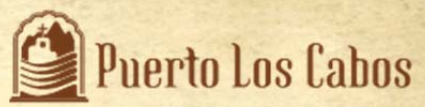
5.2.1 FINAL SUBMITTAL PACKAGE REQUIREMENTS

Two sets of architectural and landscape site plans and specifications signed and sealed by registered architects are required in order for the DRB to consider approval or disapproval. This provides a systematic and uniform review of the proposed construction for all applicants. Plans and specifications shall be completed and detailed to the point that all significant aspects of construction are clearly identified and understandable by construction professionals.

INFORMATION ON PLANS

All plans must be submitted in duplicate on bond / plain paper with a minimum size of 90 x 60 cm (24x36) and maximum 100 x 150 cm (30x42), with the following information located in the title block area on each sheet:

- Name of Lot Owner
- Name of the Designer / Architectural Firm
- Date of Review
- Type of Review (Conceptual, Preliminary or Final)



- Seal of Puerto Los Cabos (obtained from HOA)
- Area Tabulation (Lot Coverage, Floor Plan Area, Etc.)
- Legend
- Graphic Scale
- Number of Plan
- Key Plan

In an appropriate scale no less than 1:50 that shows all detail including an exact computation of the stated square footage (by floor in the case of the multi-floored residences) and finished floor elevations.

A written note depicting anticipated schedule of DRB review requirements with signature area for reviewer to sign and date after each review shall be placed upon the record set of documents that is kept on the construction site at all times:

Example:

Review	Date	Signature of Reviewer
Lot Staking		
Foundation Forming		
Wall Forming		
Roof Forming		
Landscape Installation		
Final Inspection		

PERSPECTIVE RENDERINGS

Two artistic color perspective renderings shall be submitted to the DRB that capture the essence and design character of the residence. These renderings can be completed by hand sketch, or computer modeling.

SITE AND LOCATION PLAN / TOPOGRAPHIC MAP

The drawing scale should be not less than 1:100. The plans shall be clearly defined and include:

- Access street(s) and walkway(s), drives and other exterior improvements, including material and color.
- All building limit lines and required setbacks with appropriate dimensions.
- A grading and drainage plan, including on-site retention areas and locations of re-graded slopes with percentage of slope and retaining wall heights, if used.
- A fill plan, if any (indicating run-off and a tree preservation method).
- All culverts (location and size and flow direction.)

- A foundation plan.
- An exterior lighting plan (see page 31 for lighting requirements and specifications).
- Service yards and/or contractor lay down areas.
- Locate all utility service entry points to the site - water, electric, communications/media, etc.
- A tree survey showing the location and species of trees four inches or larger in diameter at a point four feet above ground.
- A building plan to scale overlaid on the tree survey identifying all structures and other improvements to be included in the scheme with an indication of trees to remain and trees to be removed (at the same scale as the boundary/tree survey).
- The location and identity of special features (e.g. drainage ditches, dunes, adjacent structures, etc.).
- Mechanical equipment showing location and screening details - AC compressors, LP gas tanks, and water meters.
- All visible mechanical, electrical and plumbing components shall be shown in the site plan, floor plan and the relevant exterior elevations.
- Location of contractor ID sign, outdoor toilet facility, temporary material storage areas, work trailers, and any security fencing must be included in plans.

PLATFORM PLAN AND RETAINING WALL PLAN

The drawing scale should be not less than 1:100. The plans shall be clearly defined and include:

- Show all platform pad improvement levels, retaining walls, and natural terrain
- Show any *adjacent* retaining walls, platform pads, or improvements.
- Access drive(s) and walkway(s), and other exterior improvements, including material and color.
- Utility connections
- Sidewalks (if applicable)
- Drainage swales, creeks, common space garrison walls, arroyo protection, etc.

FLOOR PLANS

- Provide computation of all areas under roof for calculation
- Include finished floor levels on each plan
- Clearly indicate wall and window openings, and approximate wall thicknesses
- Indicate level changes
- Draw terraces, niches, pools, gardens, planters, fountains, indicating depth and / or height
- Clearly indicate the paths of longitudinal and transverse dimensions
- Indication of courtyards and finishes on the ground

ROOF PLANS

In an appropriate size to show detail. Roof plans should show areas and heights of flat and sloped roofs with percentage of slope, location of crickets, and locations and heights of all roof-mounted equipment (if allowed) and skylights.

FOUNDATION PLANS

- In an appropriate size to show detail
- Overall dimensions to coordinate with major dimensions of architectural floor plans
- Retaining wall and footing locations

BUILDING ELEVATIONS

Depicting all sides of the building(s), including hidden views. The elevations should indicate:

- Submit all facades that define the exterior
- The existing and finished grade
- The total building height
- The relevant plate heights with respect to maximum allowable heights set forth by lot location.
- The exterior treatment (including all materials, door and window fenestration, walls, free standing walls, and fences, etc.)

BUILDING SECTIONS

Typical wall and building sections depicting:

- Minimum of two (2) site / building sections
- Show existing terrain before improvements on sections
- Name of all intersecting spaces
- Locate all major equipment (HVAC, cistern, etc.) as applicable
- Indicate drainage slopes as applicable
- At least one (1) section through stair location
- Represent street level, sidewalk, adjacent platforms and natural ground level
- Represent fences, retaining walls, boundary walls, retaining walls, exterior walls, etc.
- Materials
- Floor Levels
- Roof Pitch
- Swimming pools, subterranean utility rooms, etc.

DETAILS

Details should include, but not limited to:

- Design features and other improvements requiring clarifications.
- Fascia and trim details.
- Doors and windows.

- Patios, Decks, Balconies, Verandas, Porches, etc.

LANDSCAPE PLAN

Plans should include, but not limited to:

- Boundary: Indicate all perimeter property lines, setbacks, dedicated easements and north arrow.
- Structures: Position all structures on the property and indicate the location of all windows, doors and permanent construction elements, which are proposed.
- Perimeter Areas: Reflect all adjacent site conditions and surrounding roadways, berms and pertinent features, which may affect the subject property.
- Hardscape: Indicate all proposed vehicular and pedestrian circulation treatments, swimming pool location configuration and statutory safety arrangements, miscellaneous amenity elements, garden features and permanent site furnishings which may affect the use of the site.
- Utility elements: Show all air conditioner equipment locations, exposed utility meters, garbage areas, LP gas tanks, pool equipment and any service or utility elements which may require landscape treatment or buffer screening.
- Decorative Grading: Indicate general existing grades and all proposed decorative grading (earth berming) at one foot (50 cm) intervals.
- Existing Vegetation: Based on the current tree survey, accurately identify and locate all vegetation listed as protected by the Government or significant vegetation with a caliper 7cm or greater. A vegetation protection and relocation plan clearly showing all plants intended to be removed, relocated and protected will need to be submitted at the same scale as the site plan.
- Proposed Vegetation: Provide a comprehensive landscape layout for all trees, palms, shrubs, ground covers, vines and sod which are proposed throughout the site.
- Street Tree Location
- Plant List: Identify all proposed vegetation with a plant list that reflects the scientific and accepted common name, height, spread, caliper, or size at time of installation as well as any necessary remarks which may be required to clearly portray the technical needs for design review, and/or final installation purposes.
- Irrigation Plan: Including location of backflow preventer.

EXTERIOR LIGHTING PLAN

Plans should include, but not limited to:

Location of all exterior building lighting and landscape lighting, including cut sheets for all fixtures and a list of proposed bulb types and wattages.



5.2.2 CONSTRUCTION SCHEDULE

The schedule must outline the complete building process from initial staking to occupation to include DRB mandatory inspections:

- Final Stake Out - Concurrent with final submission, the owner or contractor will provide a string stakeout of the lot lines and building lines for review by the DRB, if required. All trees to be removed must be clearly indicated.
- Pad Elevation - Once the building pad has been graded and set and prior to continuing with the digging of the foundation, it will need to be approved by the DRB.
- Foundation and Footprint - After completion of the foundation being poured and laid, but prior to the finish floor being poured, it will be required for DRB approval to continue.
- Finish Floor - Once the finish floor has been poured, the DRB will check the elevations prior to continuing.
- Roof Finishing - After removal of final roof forms, the DRB will check final height limitations and requirements.
- Anticipated Occupancy - Once the residence is ready to be occupied, the DRB will inspect final material applications, landscape installation, and other regulated items prior to occupancy.

5.3 VARIANCE REQUESTS

Owners/designers may apply for a hardship variance with the DRB in exceptional circumstances; however circumstances cannot be self-imposed or self-inflicted. Each case will be considered on its individual merits and decisions will not set precedent for other building designs past, pending or future. Variances will be granted only if it is proven that the subject property cannot adequately conform to the current development criteria, or if conformance will cause substantial detriment to the community as a whole.

Purchasers are cautioned to fully examine their proposed lot for ability to comply with the setback requirements as part of normal due diligence process completed prior to the purchase of real estate property. No verbal representation or verbal approval will be accepted as evidence of a variance approval. The Design Review Board (DRB) and Surveillance Committee maintain sole and absolute discretion over all variances and only a decision rendered in written form by the DRB is acceptable and binding.

5.3.1 REQUIREMENTS AND FEE

Variance requests shall be required to submit a written request describing the anticipated hardship along with all relevant graphic exhibits to properly convey the hardship to the DRB for consideration.

A non-refundable Design Review Fee for the amount of eight hundred dollars (US \$800.00) must accompany the submittal in order for it to be considered by the DRB. If a written approval of the variance is to be granted by the DRB an additional deposit based upon the

project valuation (5%) shall be required prior to construction to assure full compliance with the conditions of the approved variance.

5.4 RECOURSE / RESPONSE TO DENIAL

In the event of any disapproval by the DRB of either a preliminary or a final submittal, a resubmission of plans should follow the same procedures as the original submittal. Resubmittals shall address all comments created by the DRB and shall incur an additional review fee of four hundred dollars (\$400).

5.5 REVISION TO APPROVED PLANS

If the owner decides to make modifications to the previously approved plans, including changes to materials list, the modifications must be submitted to the DRB for a cursory review. Depending on the scale of the revisions, the DRB has the right to institute at its discretion an additional Design Review Fee of five hundred dollars (\$500) for the additional review efforts.

5.6 CONSTRUCTION APPROVAL

Upon receipt of the complete Final Submittal, the DRB will review the submittal for conformance to these Guidelines, and to any stipulations by the DRB from the Preliminary Submittal, and will provide a written response to the Applicant. If the Final Submittal is approved, the DRB will provide an approval stamp that shall be required by the municipality before any construction permits will be issued. Once permits are issued by the Municipality of San Jose del Cabo, a copy of the approved permit shall be displayed on a construction sign at the site indicating approval. This certificate must remain posted during the duration of the construction process. Receipt of building permits shall not constitute the approval of any variance to the approved DRB plans.

5.7 COMMENCEMENT OF CONSTRUCTION

Upon receipt of approval from the DRB, the Owner shall commence the construction pursuant to the approved Final Submittal within one (1) year from the date of the approval. If the Owner fails to comply with this paragraph, any approval given shall be deemed revoked unless, upon the written request of the Owner made to the DRB prior to the expiration of the one-year period and upon a finding by the DRB that there has been no change in circumstances, the time for commencement is extended in writing by the DRB. The Owner shall, in any event, complete the construction of the foundation and all exterior building and site improvements including the roof, exterior walls, windows, doors, driveways and all landscaping on his Lot within twenty four (24) months after commencing construction except when such completion is impossible or would result in great hardship to the Owner due to strikes, fires, national emergencies or natural calamities. If the Owner fails to comply with this paragraph, the DRB may notify the Association of such failure, and the Association, at its

option, may complete the exterior in accordance with the approved drawings or remove the Improvement(s), and the Owner shall reimburse the Association for all expenses incurred in connection therewith.

5.8 CONFORMANCE OBSERVATION

The DRB may review all work in progress or upon completion of construction and give notice of non-compliance if found. The Builder is required to inform the DRB in writing at least ten (10) days prior to each scheduled review (see Section 5.2.1) so that a review for design conformance may be made. A written note stating this requirement shall be shown by the Architect on the floor plan as part of the Final Submittal. Absence of such review and notification during the construction period does not constitute approval by the DRB of work in progress or of compliance with these Guidelines or the Declaration.

The DRB reserves the right to enter and inspect the lot for compliance during any stage of construction. The owner shall remove, repair, or change, at their own expense, any improvement deemed as not in full compliance with the approved DRB plans and / or Design Guidelines risk forfeiture of security deposit and be subject to further legal action, fines or penalties.

5.9 FINAL CONSTRUCTION REVIEW

Upon completion of any Residence or other Improvement for which final approval was given by the DRB, the Owner shall give written Notice of Completion to the DRB prior to occupancy by the Owner.

This notice shall include a copy of the "Certification of Finish Floor Level and Building Height" signed by the Builder on a form provided by the DRB and signed and sealed by a land surveyor or civil engineer registered in Baja California Sur, Mexico. This form shall certify that the finished floor levels and building heights of the Residence were constructed in accordance with the approved Final Submittal. Any changes to the finish floor levels or building heights during the course of construction require specific approval of the DRB prior to the change pursuant to these Guidelines.

Within such reasonable time as the DRB may determine, but in no case exceeding twenty (20) calendar days from receipt of a required written Notice of Completion and the Certification of Finished Floor Level and Building Height, the DRB may review the Residence and/or other Improvements.

If it is found that work was not done in strict compliance with the approved Final Submittal and / or Design Guidelines, the DRB shall notify the Owner in writing of such non-compliance within thirty (30) calendar days of its receipt of the Owner's Notice of Completion, specifying in reasonable detail the particulars of non-compliance, and shall require the Owner to remedy the same. If the Owner has failed to remedy any non-compliance within thirty (30) calendar days from the date of the DRB's notice, the DRB shall notify the Owner, and may take such action to complete or remove the non-complying Improvements as is permitted in these



Guidelines, and, the Declaration, including, without limitation, injunctive relief or the imposition of a fine or penalty, with a minimum penalty of \$500 per day from the time the non-compliance order is issued until the time the non-complying improvement is brought into compliance. If, after receipt of written Notice of Completion from the Owner, the DRB fails to notify the Owner of any failure to comply within the provided period following the DRB's review, the Improvements shall be deemed to be in accordance with the approved Final Submittal.

If an Owner chooses to occupy the Residence following receipt of a Certificate of Occupancy from the jurisdictional authority, but prior to Final Construction Review by the DRB, they may do so provided that the work is continued and the written Notice of Completion is given to the DRB within forty five (45) days of occupancy. If Improvements are not completed within forty five (45) days of occupancy, the DRB reserves the right to take such action to cause the completion of the Improvements as is permitted in these Guidelines, including, without limitation, the imposition of fines.

5.10 WAIVERS

5.10.1 NON-WAIVER

The approval by the DRB of any drawings or specifications for any work done or proposed, or in connection with any other matter requiring such approval under these Guidelines, or the Declaration, including a waiver by the DRB, shall not be deemed to constitute a waiver of any right to withhold approval as to any similar drawing, specification or matter whenever subsequently or additionally submitted for approval, or of a non-conforming design or aspect that has not been identified by earlier plan submittals. For example, the DRB may disapprove an item not in conformance with the Guidelines shown on the Final Submittal even though it may have been evident and could have been disapproved at the Preliminary Submittal.

5.10.2 RIGHT TO WAIVER

The DRB reserves the right to waive or vary any of the procedures or standards set forth herein at its discretion, for good cause shown.

5.10.3 ESTOPPEL CERTIFICATE

Within thirty (30) days after written demand therefore is delivered to the DRB by any Owner, and upon payment therewith to the DRB of a reasonable fee from time to time to be fixed by it, the DRB shall record an estoppels certificate executed by any two (2) of its members, certifying with respect to any Lot of said Owner, that as of the date thereof either (a) all Improvements and other work made or done upon or within said Lot by the Owner, or otherwise, complies with these Guidelines, the Declaration or (b) such Improvements and/or work do not so comply, in which event the certificate shall also: 1) identify the non-complying Improvements and/or work and, 2) set forth with particularity the cause or causes for such non-compliance. Any purchaser from the Owner or mortgagee or other encumbrances shall be entitled to rely on said certificate with respect to the matters therein set forth, such matters being conclusive as between the mortgagee, or other encumbrances.

5.11 NON-LIABILITY OF DRB AND SURVEILLANCE COMMITTEE

Neither the DRB, Surveillance Committee, nor its respective members, secretary, successors, assigns, agents, representatives, employees or attorneys shall be liable for damages or otherwise to anyone submitting plans to it for approval, or to any Builder by reason of mistake in judgment, negligence or non-feasance, arising out of any action of the DRB with respect to any submission, or for failure to follow these Guidelines. The role of the DRB is directed toward review and approval of use, site planning, appearance, architectural design and aesthetics. The DRB assumes no responsibility with regard to design or construction, including, without limitation, the civil, structural, mechanical, plumbing or electrical design, methods of construction, or technical suitability of materials.

5.12 ACCURACY OF INFORMATION

Any person submitting plans to the DRB shall be responsible for verification and accuracy of all components of such submission, including, without limitation, all site dimensions, grades, elevations, utility locations and other pertinent features of the site or plans.

5.13 OWNER / BUILDER REPRESENTATION

Each Builder represents by the act of entering into the review process with the DRB that all representatives of such Builder, including, but not limited to, Lot Owner and/or Builder's architect and engineer, such Builder's subcontractors, and their agents and employees, shall be made aware by the Builder of all applicable requirements of the DRB and shall abide by these Guidelines and the Declaration with respect to approval of development plans and specifications.

5.14 REGULATORY COMPLIANCE

It is the responsibility of the Builder to obtain all necessary permits and ensure compliance with all applicable governmental regulations and other requirements. Plans submitted for DRB review shall comply with all applicable building codes, zoning regulations and the requirements of all governmental entities having jurisdiction over the building project or property within Puerto Los Cabos Resort Community. Regulatory approvals do not pre-empt the design review authority of the DRB, and DRB approval does not incorporate any governmental approvals. Governmental approvals shall be the sole responsibility of the Builder.

5.15 DESIGN GUIDELINES AND REGULATORY COMPLIANCE

Where the provisions of any applicable governmental jurisdictional authority standards are more restrictive than the provisions of these Guidelines (including any applicable site specific Guidelines), the governmental jurisdictional authority standards shall be controlling. Where the provisions of these Guidelines (including any applicable site specific Guidelines), are more restrictive than the provisions of the applicable governmental jurisdictional authority Standards, then these Guidelines (including any applicable site specific Guidelines), shall be controlling. No variance from governmental jurisdictional authority Standards may be requested unless the prior written approval of the DRB has been obtained.

6.0 BUILDER AND CONTRACTOR GUIDELINES

In order to ensure the full compliance with these Design Guidelines throughout the construction process, the following Construction Guidelines shall be made a part of the construction contract documents for each Residence or other improvements on a Lot. All Builders and Owners shall be bound by these guidelines and any violation by a Builder shall be deemed to be a violation by the Owner of the Lot.

The policing of building sites during construction will be done by the Design Review Board Members, the Design Review Coordinator, the Homeowners Association Manager and the project security staff, acting as roving inspectors on their regular rounds. Violations of the Construction Guidelines or any conditions of final approval that are discovered will be reported to the Homeowners Association Manager, who will send a letter to the Builder involved. Copies of the letter will be sent to the Lot Owner, Puerto Los Cabos Resort Director of Security and the Design Review Coordinator.

6.1 PURPOSE OF BUILDER GUIDELINES

The following shall apply to any and all construction, improvement, alteration or maintenance of any structure, any change to the exterior of any structure and to grading, excavating, tree removal, landscaping or any other change to the grounds of a single-family site within Puerto Los Cabos. In the event of a violation of these criteria and guidelines, the construction or work being performed shall cease until conformance. Infractions of the construction rules may be cause for a \$500.00 fine per infraction and/or suspension of a contractor or subcontractor from the community.

6.2 PROFESSIONAL LICENSURE AND EXPERIENCE

To ensure the construction quality of the Puerto Los Cabos community, all builders and general contractors must have the appropriate, current B.C.S. licenses and appropriate work experience.

The DRB holds the right to refuse any builder and contractor, which has previously shown negligence or poor quality work.

6.3 START OF CONSTRUCTION

No lot clearing or placement of portable toilets will be permitted until formal written approval of the DRB has been granted and all required governmental permits are obtained.

6.4 CONTRACTOR / BUILDER'S BOND REQUIREMENT

In order to assist the DRB in enforcing compliance with these guidelines, each Builder (not the Owner), shall post a cash deposit in the amount of ten thousand dollars (US \$10,000.00) with

the Association before beginning any construction. Should it become necessary for the DRB or the Association to remedy any violation of these guidelines, or any condition of final approval, the costs of such remedy may be charged against the bond.

The Builder's bond will be refunded upon receipt of the Notice of Completion by the Owner and upon satisfactory completion of all requirements of the Final Construction Review.

6.5 CONSTRUCTION TRAILERS / PORTABLE OFFICE

Any Owner or Builder who desires to bring a construction trailer, field office or the like to Puerto Los Cabos Resort Community shall first apply for and obtain written approval from the DRB. To obtain such approval, the Owner or Builder shall submit a copy of the site plan with proposed locations of the construction trailer or field office, the portable toilet and the trash receptacle noted thereon. Such temporary structures shall be removed upon completion of construction.

No signage shall be allowed on any construction trailers and the color of any construction trailer or field office shall comply with Section 3.12 Exterior Colors of these Guidelines.

The construction trailer, if any, portable toilet, construction material storage and dumpsters must all be contained within a chain link fence or approved screening material, and within the Building Envelope.

6.6 VEHICLES AND PARKING

All construction traffic shall access the community through the designated construction entrance.

All contractors must register, with the homeowners association, a complete list of their sub-contractors and other employees who are permitted entry into the community. No vehicle shall be parked on any lots, other than their specific job site. There will be no washing of any trucks on the street.

No vehicles (trucks, vans, cars, etc.) may be left in the community overnight. Construction equipment may be left on the site while needed, but must not be kept on the street, unless prior permission has been granted. Workers' personal vehicles will be located in a designated location off-site.

6.7 SANITARY FACILITIES

Prior to commencing work, a portable toilet must be placed on the job site and in a manner so as to least disturb other residences and other construction. If any workers are found urinating or defecating outside of these facilities, the Contractor shall be levied with a US \$1,000.00 fine per occurrence.

6.8 CONSTRUCTION FENCING

To protect any natural un-graded areas of a Lot from damage due to construction operations, a protective fence at least 1.5 meters high shall be installed to completely enclose the construction area prior to starting any footing or foundation work. A silt fence shall also be incorporated with the chain link fence to filter runoff. The fence shall follow or be within the approved Building Envelope. The fence shall have a single entrance located at the driveway entrance, and shall be maintained intact until the completion of construction. The construction trailer, if any, portable toilet, construction material storage and dumpsters must all be contained within the chain link fence. In special cases the DRB may allow materials to be stored outside the chain link fence, but only when specifically approved in advance by the DRB.

If it is necessary to conduct construction activities outside of a Building Envelope to complete an Improvement falling within the Building envelope, the Owner of the Lot, or his representative, may submit a request to the DRB for a Building Envelope infringement. If such a request is approved by the DRB, the construction area outside the Building Envelope will be required to be re-vegetated and returned as close as possible to its original condition to satisfaction of the DRB.

6.9 VEGETATION / LANDSCAPE CONSERVATION

Only plants, vegetation and trees directly within the planned structure, roof overhangs, or driveway shall be removed. Any plants, vegetation or trees uprooted or cut down on the job site shall be removed from the job site and from the community as soon as is practical but not later than five (5) working days.

6.10 DEBRIS AND TRASH REMOVAL

Construction sites must be maintained in a neat and orderly fashion. All contractors are required to provide at least one (1) covered trash dumpster for every residence under construction. Dumpsters must be emptied on a regular basis. The builder is responsible for trash that blows off the site and shall retrieve such trash immediately.

No trash shall be stockpiled on the lot. There will be no stockpiling or dumping on adjacent lots or on streets.

Builders shall clean up all trash and debris on the construction site at the end of each working day. Trash and debris shall be removed from each construction site frequently and not be permitted to accumulate. Lightweight material, packaging and other items shall be covered or weighted down to prevent their being blown off the construction site. In no case may debris and trash be allowed to exceed the top of a dumpster. The DRB reserves the right to assess fines to builders and owners who fail to prevent debris from blowing or being deposited on other Lots or Common Areas. Builders are prohibited from dumping, burying or burning trash anywhere within the Puerto Los Cabos Resort Community except as expressly permitted in writing by the DRB.



During the construction period, each construction site shall be kept neat and clean, and shall be properly policed to prevent it from becoming a public eyesore or affecting other Lots or any open space. Unsightly dirt, mud, or debris resulting from activity on each construction site shall be promptly removed and the general area cleaned up.

Dumpsters or other waste receptacles must be located within the Building Envelope and within the fenced construction site or in areas specifically approved in writing by the committee. For physically constrained sites, smaller dumpsters with more frequent removal may be necessary in order to fit the dumpster within the construction fencing.

6.11 CONSTRUCTION DAMAGE

Any damage to streets and curbs, drainage inlets, sidewalks, street lights, street markers, mailboxes, walls, landscape, etc., will be repaired by the developer or the homeowners association and such costs billed to the responsible contractor or homeowner.

Operators of vehicles are required to see that they do not spill any damaging materials while in the community. If spillage of a load occurs, operators are responsible for cleaning it up. Clean-ups done by the association will be billed to the responsible party. Please report any spills as soon as possible.

6.12 EXCAVATION OF MATERIALS

Excess excavation materials shall be hauled away from Puerto Los Cabos Resort Community and disposed of properly. Dumping of excess excavation materials within Puerto Los Cabos is prohibited.

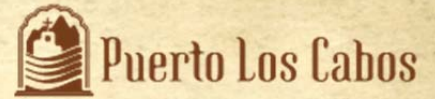
6.13 WASHOUT AND CLEANING OF EQUIPMENT

Washout of concrete trucks or the washout and cleaning of any equipment by masons, plasterers, painters, drywallers, etc. must be contained within the building envelope of each Lot. Washout or cleaning residue shall not be allowed to flow off of the Lot or into arroyos, drainage ways or any un-graded natural areas on the Lot. Fines may be imposed against a Builder and/or its Builder's Bond for any violations to this provision. The Builder will also be responsible for restoring the damaged area to its natural state.

6.14 CONSTRUCTION SITE APPEARANCE

All personnel working in the community are to keep all of their areas free of discarded materials such as lunch bags and odd materials. Objects should not be thrown out of cars and trucks.

If the construction site is located next to a completed home, the construction site must be screened by a minimum 2.5 meter (8') high screen made of an approved screening material or plywood painted in an approved color.



6.15 CONSTRUCTION HOURS

The construction working hours are from 8:00am to 5:00pm, Monday through Friday and Saturday 8:00am to 1:00pm. Construction activities of any kind will not occur on or around any site during nationally recognized holidays. These schedules are subject to change by the DRB.

A 24- hour emergency telephone number must be kept on file at the sales center.

6.16 NOISE LEVELS

Loud radios or music players are allowed, however the music must be kept at a reasonable level and Puerto Los Cabos security forces shall enforce these levels. Speakers mounted on vehicles or outside of homes under construction are not permitted.

6.17 PERSONNEL / SUBCONTRACTORS

Only bona fide workers are allowed on the property and are required to exit the property upon completion of their work. Spouses may drive workers to and from the site, but must not remain on the property unless they are actual employees of the sub-contractor. For safety reasons, children will not be permitted on the job site. No alcoholic beverages are permitted on or near the job site. Contractor personnel will not be permitted to bring pets on the property. At no time are workers allowed to use the beach or beach facilities.

6.18 TEMPORARY CONSTRUCTION SIGNAGE

During construction, one (1) construction sign built in accordance with the Developer's published standards will be located within the front setback of the lot to assist sub-contractors and others in locating the job site.

The construction signage shall be placed in the approved location at commencement of construction and is to be removed upon final inspection and approval of occupancy by the DRB or, a maximum of 24 months, whichever is sooner.

The construction sign shall bear the following information:

- Puerto Los Cabos Logo
- Lot number and Owner name
- Architect name and contact information
- Builder Name and contact information
- Permit document required by Municipality

Examples of approved signage are available at the Puerto Los Cabos HOA offices.

6.19 FIRE PROTECTION

At least one full and operable 10-pound ABC-rated or equal dry chemical fire extinguisher shall be present and available in a conspicuous place on the construction site at all times. Absence of such a device may result in fines against the Builder or the Builder being denied access to the construction site.

6.20 SEVERED LINES

If any electrical, water, telephone, cable television or other line is cut; it is the contractor's responsibility to report the accident to the Head of Security within thirty (30) minutes and must be fully repaired within 24 hours or suffer a minimum \$500 fine per day until fully repaired.

6.21 GENERAL PRACTICES

All Owners will be absolutely responsible for the conduct and behavior of their agents, representatives, builders, contractors, and subcontractors while on the premises of Puerto Los Cabos Resort Community.

The following practices are **prohibited**:

- Changing oil or otherwise servicing any vehicle or equipment on the site itself or at any other location within Puerto Los Cabos Resort Community, other than at a location specifically designated for that purpose by the DRB.
- Allowing Concrete Suppliers, Plasterers, Painters or any other subcontractors to clean their equipment other than at locations specifically designated for that purpose by the HOA. Residue from cleaning is not allowed to flow into arroyos, drainage ways or natural landscape locations
- Removing any rocks, plant material, topsoil or similar items from any property of others within Puerto Los Cabos Resort Community, including other construction sites.
- Carrying any type of firearm within the Puerto Los Cabos Resort Community.
- Using disposal methods other than those approved by the DRB.
- Careless disposition of cigarettes and other flammable material.
- Careless treatment or removal of any indigenous plant not previously approved for removal by the DRB.
- Use of, or transit over, any Common Area paths or trails.
- Any pets, particularly dogs belonging to any non-resident construction worker or contractor shall not be brought into Puerto Los Cabos Resort Community.
- Outdoor fires for the purpose of warming in cold weather.
- Storage or parking of non-construction related vehicles, such as trailers, boats, etc., at the construction site.

