

RULES AND REGULATIONS FOR THE SAN CARLOS COUNTRY CLUB AS TAKEN FROM THE DECLARATIONS OF COVENANTS, CONDITIONS & RESTRICTIONS AND BY-LAWS.

THE ASSOCIATION SHALL MEAN THE ASOCIACION DE RESIDENTES DE SAN CARLOS COUNTRY CLUB A.C., WHICH IS A CIVIL ASSOCIATION. ALL OWNERS OF LOTS OR HOUSES ARE MEMBERS OF THIS ASSOCIATION. THE TERMS AND PROVISIONS ARE BINDING UPON ALL MEMBERS AND THEY SHALL BE SUBJECT TO THE TERMS AND PROVISIONS OF THE BY-LAWS AND RULES OF THE ASSOCIATION.

BY-LAWS:

AN ANNUAL MEETING IS HELD ONCE A YEAR DURING THE FIRST TWO (2) MONTHS OF THE YEAR. A NOTICE WILL GO OUT WITH THE BILL FOR THE UPCOMING YEAR'S DUES. ALL THE DUES FOR THE COMING YEAR MUST BE PAID PRIOR TO THE MEETING OR THE MEMBER WILL NOT HAVE ANY VOTING RIGHTS.

IN ORDER FOR BUSINESS TO BE CONDUCTED, A QUORUM OF THE MEMBERS MUST BE PRESENT OR REPRESENTED BY PROXY. A QUORUM CONSISTS OF FIFTY- ONE (51%) PERCENT OF THE PAID-UP MEMBERSHIP. IF A QUORUM IS NOT PRESENT AT THE FIRST CALL OF THE ANNUAL MEETING, THE MEETING WILL BE HELD WITH PRESENT PEOPLE AN HOUR AFTER. AND THE AGREEMENTS SHALL BE APPROVED BY 60%.

ALL PROXIES SHALL BE IN WRITING AND FILED WITH THE SECRETARY BEFORE THE APPOINTED TIME OF EACH MEETING.

EACH LOT OWNER SHALL HAVE ONE (1) VOTE. IF A LOT HAS MORE THAN ONE OWNER, ONLY ONE VOTE MAY BE CAST. EACH HOMEOWNER HAS THREE (3) VOTES. IF A HOME HAS MORE THAN ONE OWNER, ONLY THREE VOTES MAY BE CAST. IF A HOMEOWNER HAS ADJACENT LOTS FOR WHICH HE PAYS NO ANNUAL FEES, HE MAY CAST ONLY THREE (3) VOTES.

AT THE ANNUAL MEETING, AN ELECTION OF MEMBERS TO THE BOARD OF DIRECTORS WILL BE HELD. THE BOARD CONSISTS OF SEVEN MEMBERS WHO ARE ELECTED FOR TWO-YEAR TERMS. THE TERMS OF THE DIRECTORS ARE STAGGERED SO THAT THREE (3) DIRECTORS ARE ELECTED ONE YEAR AND FOUR (4) THE SUCCEEDING YEAR.

NO DIRECTORS SHALL RECEIVE COMPENSATION FOR ANY SERVICES HE MAY RENDER TO THE ASSOCIATION. HOWEVER, ANY DIRECTOR MAY BE REIMBURSED FOR HIS ACTUAL EXPENSES INCURRED IN THE PERFORMANCE OF DUTIES.

THE BOARD OF DIRECTORS WILL MEET EACH MONTH, WHEN A QUORUM IS PRESENT, AT WHICH TIME ALL PAID-UP MEMBERS ARE WELCOME TO ATTEND.

FOR THE YEAR 2011, THE DUES ARE \$375.00 US DLLS. PER YEAR FOR HOMEOWNERS AND \$100.00 PER YEAR FOR LOT OWNERS PER LOT. IF A LOT OR LOTS ARE OWNED BY THE HOMEOWNER THAT ARE CONTIGUOUS TO THE OWNER'S HOME AND ARE MAINTAINED BY THE OWNER TO THE SATISFACTION OF THE BOARD, NO ASSESSMENT WILL BE MADE

FOR THAT LOT OR LOTS. HOWEVER, IF AT ANY TIME THE LOT OR LOTS ARE SOLD TO ANOTHER PARTY OR IF A HOME IS BUILT ON THE LOT OR LOTS, DUES WILL COMMENCE AT THE REGULAR ASSESSED FEE.

THE ANNUAL DUES ARE USED TO COVER THE COSTS OF GUARD SERVICE, MAINTENANCE WORKERS, REPAIR OF STREETS AND STREET LIGHTS, ADMINISTRATION COSTS SUCH AS SECRETARIAL SUPPLIES, POSTAGE AND MAINTENANCE FEES ASSOCIATED WITH RECORDS OF THE ASSOCIATION, ACCOUNTING AND LEGAL FEES, MAINTENANCE OF EQUIPMENT OWNED BY THE ASSOCIATION AND ANY OTHER COSTS INCURRED IN THE COURSE OF OPERATIONS REGARDING THE OPERATIONS OF THE ASSOCIATION. A MAIL BOX IS ALSO MAINTAINED FOR THE USE OF RESIDENTS, AND THE MAIL IS COLLECTED DAILY AND PUT IN A DESIGNATED PLACE FOR PICK UP BY THE INDIVIDUAL HOMEOWNERS.

AN ANNUAL BUDGET IS PRESENTED AT EACH ANNUAL MEETING, ALONG WITH A FULL FINANCIAL ACCOUNTING FOR THE PAST YEAR. MONTHLY FINANCIAL STATEMENTS ARE AVAILABLE UPON REQUEST THROUGHOUT THE YEAR WITH REASONABLE NOTICE.

THE FISCAL YEAR OF THE ASSOCIATION SHALL BEGIN ON THE 1ST OF JANUARY AND END ON THE 31ST OF DECEMBER OF EVERY YEAR.

ANY HOMEOWNER WHOSE DUES ARE NOT CURRENT WILL NOT BE ENTITLED TO A VOTE NOR MAY HE PARTICIPATE IN ANY DECISIONS REGARDING THE ASSOCIATION, NOR MAY HE AVAIL HIMSELF OF THE SERVICES OF THE ASSOCIATION.

ANNUAL DUES AS SET BY THE BOARD OF DIRECTORS ARE DUE AND PAYABLE BY JANUARY 31ST OF THE CURRENT YEAR. ANY DUES NOT PAID BY THIS DATE BECOME SUBJECT TO AN INTEREST FEE OF 10% ANNUALLY. THE FEES MAY BE INCREASED AT THE DISCRETION OF THE BOARD IN ORDER TO MEET OPERATING COSTS NOT LATER THAN 30 DAYS PRIOR TO THE BEGINNING OF EACH FISCAL YEAR. WITHOUT OF THE VOTE OR WRITTEN CONSENT OF THE MAJORITY OF THE VOTING POWER OF THE ASSOCIATION, A REGULAR ASSESSMENT INCREASE MAY NOT EXCEED MORE THAN 20% OF THE REGULAR ASSESSMENT FOR THE PROCEEDING YEAR.

SPECIAL ASSESSMENTS MAY BE LEVIED BY THE BOARD OF DIRECTORS AGAINST A LOT WITH RESPECT TO PARTICULAR COSTS WHICH HAVE BEEN INCURRED AGAINST THAT LOT AFTER PRIOR NOTIFICATION TO THE OWNER.

ALL ASSESSMENTS SHALL BE PAYABLE IN THE AMOUNT SPECIFIED AND NO OFFSETS AGAINST THAT AMOUNT SHALL BE PERMITTED FOR ANY REASON, INCLUDING A CLAIM THAT THE ASSOCIATION IS NOT PROPERLY EXERCISING ITS DUTIES, MAINTENANCE OR ENFORCEMENT.

BASIC RESTRICTIONS:

NO BUILDINGS ARE TO BE ERECTED, CONSTRUCTED, ALTERED OR MAINTAINED ON ANY LOT OTHER THAN A SINGLE FAMILY DETACHED RESIDENCE WITH CUSTOMARY AND SUITABLE OUTBUILDINGS, INCLUDING A PRIVATE GARAGE OR CARPORT FOR NOT MORE THAN THREE CARS.

NO LOT SHALL BE RE-SUBDIVIDED OR SPLIT INTO LOTS OF A LESSER SIZE THAN THE SIZE OF ORIGINAL LOT.

NO NUISANCE OR OFFENSIVE TRADE SHALL BE CARRIED ON UPON THE PROPERTY WHICH MAY BE OR MAY BECOME A NUISANCE TO THE OWNERS OF PROPERTY, INCLUDING BUT NOT LIMITED TO THE STORAGE OF ANY MATERIALS WHICH MIGHT CREATE AN INSECT CONTROL PROBLEM OR THE STORAGE OF LANDSCAPING MATERIALS THAT MIGHT CONTAMINATE THE ENVIRONMENT.

NO ANIMALS, BIRDS, OR INSECTS OF ANY KIND SHALL BE RAISED, BRED OR KEPT ON ANY LOT EXCEPT DOGS, CATS AND OTHER COMMON HOUSEHOLD PETS, PROVIDED THEY ARE KEPT UPON THE PROPERTY AND ARE NOT A NUISANCE TO OTHER RESIDENTS. THEY MAY NOT BE RAISED FOR COMMERCIAL PURPOSES.

EACH OWNER AGREES TO KEEP, MAINTAIN, WATER, PLANT AND REPLANT ALL AREAS LOCATED ON HIS LOT SO AS TO PREVENT EROSION AND TO PRESENT AN ATTRACTIVE, CLEAN APPEARANCE AT ALL TIMES.

NO TENTS, SHACKS, TRAILERS, BASEMENTS, GARAGES OR OUTBUILDINGS SHALL AT ANY TIME BE USED ON ANY LOT AS A RESIDENCE EITHER TEMPORARILY OR PERMANENTLY; HOWEVER, THE OWNER OF A LOT IS AUTHORIZED TO BUILD A TEMPORARY STRUCTURE ON HIS LOT FOR STORING MATERIALS DURING THE CONSTRUCTION PERIOD.

NO TRAILER, MOTOR HOME, TRUCK IN EXCESS OF THREE TONS, BOAT IN EXCESS OF SEVEN METERS IN LENGTH, OR SIMILAR EQUIPMENT OR VEHICLE SHALL BE KEPT ON ANY LOT OR STREET EXCEPT WITHIN AN ENCLOSED GARAGE OR CARPORT FOR MORE THAN TWELVE HOURS. NO PAINTING, REPAIRING OR MECHANICAL WORK, OTHER THAN CUSTOMARY WORK AND MINOR EMERGENCY REPAIRS, SHALL BE DONE ON ANY MOTOR VEHICLE ON ANY LOT EXCEPT IN THE ENCLOSED AREA.

NO GARAGE OR CARPORT SITUATED ON ANY LOT SHALL BE USED FOR ANY PURPOSE NOT COMPATIBLE WITH SUCH USE.

NO LOT SHALL BE USED OR MAINTAINED AS A DUMPING GROUND FOR RUBBISH, TRASH, OR GARBAGE.

SANITARY CONTAINERS MUST BE MAINTAINED BY THE OWNER FOR REFUSE TO BE PICKED UP ON REGULARLY SCHEDULED DAYS.

ARCHITECTURAL CONTROL:

THE ARCHITECTURAL BOARD SHALL CONSIST OF THREE PERSONS TO BE APPOINTED BY THE BOARD OF DIRECTORS.

THE OWNER OF EACH LOT ON WHICH CONSTRUCTION IS CONTEMPLATED SHALL SUBMIT TO THE ARCHITECTURAL BOARD PRELIMINARY WORKING DRAWINGS OR PLANS, WHICH SHALL CONSIST OF A PLOT PLAN, FLOOR PLAN AND ELEVATIONS.

UPON APPROVAL OF PRELIMINARY PLANS, FINAL PLANS AND SPECIFICATIONS SHALL BE SUBMITTED TO THE ARCHITECTURAL BOARD FOR FINAL APPROVAL. SUCH PLANS

AND SPECIFICATIONS SHALL DESCRIBE IN DETAIL THE FLOOR ARRANGEMENT, ELEVATIONS, USE OF MATERIAL, HEIGHT AND DIMENSIONS, SITE PLACEMENT, FENCES, GRADING, AND OTHER PERTINENT INFORMATION SUCH AS COLOR. ONLY LIGHT PASTEL COLORS WILL BE APPROVED.

DURING AND AFTER COMPLETION OF CONSTRUCTION, THE ARCHITECTURAL BOARD MAY FROM TIME TO TIME WITH REASONABLE NOTICE, INSPECT THE PROPERTY TO ASSURE COMPLIANCE.

ALL STRUCTURES SHALL HAVE A SET-BACK OF THREE (3) METERS FROM THE ACCESS ROAD, ONE (1) METER FROM THE ADJACENT LOTS, AND FIVE (5) METERS FROM THE SAN CARLOS COUNTRY CLUB GOLF COURSE.

NO BUILDING HEIGHT SHALL EXCEED FIVE (5) METERS, OR SHALL BE MORE THAN ONE STORY HIGH, WHICHEVER IS LESS IN HEIGHT.

FENCES, WALLS, RAILS OR HEDGES SHALL BE LIMITED TO (1) METER IN HEIGHT. THE OWNER WILL MAINTAIN AND KEEP IN GOOD CONDITION AND REPAIR SUCH FENCES, WALLS, AND RAILS.

PERMANENT LANDSCAPING SHALL BE INSTALLED BY THE OWNER AROUND ANY RESIDENCE IN FRONT, SIDE AND REAR YARD AREAS, NOT LATER THAN NINETY (90) DAYS AFTER COMPLETION OF SAID STRUCTURE.

NO RESIDENCE SHALL BE ERECTED HAVING A TOTAL GROUND FLOOR AREA EXCLUSIVE OF OPEN PORCHES, GARAGES, PATIOS, EXTERIOR STAIRWAYS AND LANDINGS, OF LESS THAN ONE HUNDRED (100) SQUARE METERS.

ALL CLOTHES LINES, STORAGE AREAS, EQUIPMENT, AND STORAGE PATIOS SHALL BE PROHIBITED UPON THE LOTS, UNLESS OBSCURED FROM VIEW OF ADJOINING LOTS AND STREETS AND THE CLUBHOUSE OR GOLF COURSE BY WALLS OR APPROPRIATE PLANTS APPROVED BY THE ARCHITECTURAL COMMITTEE.