

## **TABLE OF CONTENTS**

**Article 1 - Introduction**

**Article 2 – Name & Purpose**

**Article 3 – Definitions**

**Article 4 – Membership & Geographic Boundaries**

**Article 5 – Membership Dues**

**Article 6 – Consequences For Non Payment Of Dues**

**Article 7 – Basic Rules**

**Article 8 – Rental Rules**

**Article 9 – Guest & Visitor Rules**

**Article 10 – Architectural Control**

**Article 11 – San Carlos Country Club Golf Course**

**Article 12 – Addition Of Later Developments**

**Article 13 – Member Meetings & Voting Rights & Quorum**

**Article 14 – Board of Directors, Selection, Term Of Service**

**Article 15 – Nomination & Election of Directors**

**Article 16 – Board Of Director Meetings**

**Article 17 – Obligations Of The Board Of Directors & Power Of Attorneys**

**Article 18 – Officers & Their Obligations**

**Article 19 - Committees**

**Article 20 – Books & Registration**

**Article 21 – Amendments & Dissolution Of The HOA**

**Article 22 – Fiscal Time Period**

**Appendix A – Map Of Lots & Community Boundaries & San Carlos Country Club**

## **ARTICLE 1- INTRODUCTION**

The Residents of San Carlos Country Club is a community originally developed in the late 1970's. The real estate developer created the Covenants, Conditions and Restrictions (CCR'S) registered in 1979 in the City of Guaymas. The second document, the Articles of Incorporation, was registered in 1979 in the City of Guaymas.

The HOA has operated its affairs under the guidelines of these 2 documents since 1979. At the Annual General Meeting of February 23, 2013, two motions were approved to write new bylaws for the HOA. At the Board of Directors meeting of March 5, 2013, a Bylaw Committee was created to write the new Bylaws. The CCR's were used as a template, for the purposes of continuity and legal precedence, for the new Bylaws. These Bylaws were reviewed by the HOA Board of Directors and approved by the Members of the General Meeting of February 15, 2014.

## **ARTICLE 2 – NAME & PURPOSE**

**2.1 – Name:** The name of the Homeowners Association (HOA) is "Residente de San Carlos Country Club, A.C." known in English and throughout this document as "Residents of San Carlos Country Club" as defined by the Articles of Incorporation and the Bylaws.

**2.2 – Purpose:** The goal of the HOA is to help maintain the beauty, serenity, safety and security of the community, including having a good neighbor relationship with the San Carlos Country Club golf course that our community encompasses, and also with an aim to maintain or even increase the value of all the properties in this area.

## **ARTICLE 3 – DEFINITIONS**

**3.1 – "ARTICLES OF INCORPORATION"** – Means and refers to the Articles of Incorporation written by the real estate developer in 1978 for the Residents of San Carlos Country Club HOA, and registered in the City of Guaymas in 1979.

**3.2 - "BOARD OR BOARD OF DIRECTORS"** - Means and refers to the governing group for the Members of the HOA.

**3.3 - "BYLAWS"** - Means and refers to the bylaws of the HOA and these bylaws can be amended at any time following the appropriate rules of the bylaws.

**3.4 - "CCR's"** – Means and refers to the original Covenants, Conditions and Restrictions written by the real estate developer in 1978 for the Residents of San

Carlos Country Club and registered in the City of Guaymas in 1979, which are now superseded by the Bylaws approved in 2014.

**3.5 - "CONSTRUCTION LIMITS"** - Means the limited area by a strip of land, known as a setback, from the street and the sides of the lot and by a line that limits the building on the border back of the lots.

**3.6 - "DUES"** - There are several types of dues. Their meanings are:

**"ANNUAL DUES"**: Means the amount of money that every Owner must pay annually to the Residents of San Carlos Country Club HOA for common expenses.

**"SPECIAL ASSESSMENT"**: Means any additional cost that every Owner must pay to the Residents of San Carlos Country Club HOA for special projects for the community such as road paving, major hurricane damage, et cetera, and not excluding anything not already mentioned here.

**"FEES"**: Means charges assessed to the Owner by the Residents of San Carlos Country Club HOA for such activities as lot cleanup, damage to HOA property, attorney costs, et cetera, and not excluding anything not already mentioned here.

**3.7 - "ENTIRE PROPERTY"**- Means all the lots and the buildings within the urban development of the neighborhood mentioned in Appendix "A". Entire Property will also mean any other improvement or urbanization built within the development under the Bylaws.

**3.8 - "HOMEOWNERS ASSOCIATION (HOA)"** - Means and refers to the Residents of San Carlos Country Club HOA and is designated as HOA throughout these Bylaws.

**3.9 - "LOT"** - Means each one of the parcels that has been sub-divided out of the Entire Property, and may or may not have a house constructed on it. As defined, a "Lot" means either a lot, or a lot with a house on it, or the house on the lot.

**3.10 - "MEMBER"** - Means and refers to all the Members of the HOA. The HOA Members are all the Owners of all the lots and the beneficiaries of the bank trusts for lots in the San Carlos Country Club, and are not required to complete an application form as stated in the Articles of Incorporation.

**3.11 - "OWNERS"** - Means and refers to one or more persons, and/or corporations who individually or collectively are the registered Owners on the title of property of one or more lots or the possessors of a trust contract with reference to a lot site, or the HOA itself.

**3.12 - "PROJECT"** - Means any project of condominiums consisting of the units of the project, plus the common areas, controlled by the Owner(s) of the units of the project.

**3.13 - "RESERVE FUND"** - Means monies set aside each year for long term maintenance items such as road maintenance and for contingency purposes for calamitous events such as hurricane damage.

**3.14. - "STREET"** - Means any street, roadway or highway indicated on the plot plan of the property and these can be designated such as street, avenue, boulevard, fair way, cul de sac or any other name that is given.

**3.15 - "SURFACE THAT CAN BE BUILT ON"** - Means one single Lot just as it is shown on the plot plan of the neighborhood, or a parcel consisting of portions of land of two or more Lots, or a group of several .

#### **ARTICLE 4 – MEMBERSHIP & GEOGRAPHIC BOUNDARIES**

**4.1 – MEMBER:** A Member of the Residents of San Carlos County Club HOA, as defined in Article 3.10, is an Owner of a lot(s) or the beneficiaries of the bank trusts for a lot(s) in the San Carlos Country Club, and is not required to complete an application form as stated in the Articles of Incorporation.

**4.2 – GEOGRAPHIC BOUNDARY:** The HOA has 678 lots within its geographic boundaries. Appendix “A” outlines the boundaries of the community and the location of the 678 lots numbered from 1 to 661, from 714 to 719 and G-11 to G-21.

.

#### **ARTICLE 5 – MEMBERSHIP DUES**

**5.1 - LIEN CREATION AND PERSONAL OBLIGATION FOR THE MEMBERS:** The Member for each Lot, and house if any, that he owns agrees to pay to the HOA, annual dues, special assessments and fees that will be determined and collected as follows:

The annual dues, special assessments, fees and outstanding interest will be considered as a charge against the lot, and house, if there is a house constructed on the lot, and will be a lien on the lot, and the house. Annual dues, special assessments, fees and interest, if there is any, or any other attorney costs will be a personal obligation of the Member that is the Owner at the time when these dues are overdue to be paid.

**5.2 - PURPOSE OF DUES:** The dues obtained by the HOA will be used exclusively for the cleaning, maintenance, recreation, security of the community and to increase property

values. These dues will pay for such activities as the maintenance of the streets of the development, street lights, security, vacant lot clean up, administration, et cetera.

**5.3 – ANNUAL DUES:** The amount and time to pay dues will be determined by the Board of Directors according to the Bylaws taking in consideration the actual expenses as well as the future requirements of the HOA. The annual dues will be larger for a Lot with a house on it than the annual dues for a lot without a house on it to reflect the use of more HOA services by the home Owner. A lot Owner will have his annual dues increased from a lot Owner's dues to a home Owner's dues one calendar year after the Owner starts construction of the home on their lot. The Board of Directors will budget the total cost of the common expenses for the next fiscal year, and determine the amount of the annual dues. The amount of dues will be determined not later than 5 days before the beginning of each fiscal year. The Board of Directors will not, without the authorization or the written consent of the majority of the voting Members, impose an increase of annual dues more than 20% of the annual dues of the immediate previous fiscal year. A written notice shall be sent to each Owner indicating the annual dues. Each Owner, after that date, will pay to the HOA the annual dues. In the event that the Board of Directors determines that the total estimated charges for the current year would be inadequate in order to cover all the common expenses, the Board of Directors will determine the exact amount to be added to the year's budget amount, and that amount shall be added to the annual dues, but this annual due increase shall not exceed more than 5% of the previously annual dues made by the Board of Directors, and it shall be approved by the majority in presence or in writing.

**5.4 – SPECIAL ASSESSMENT:** A Special Assessment can be charged to every Owner by the Board of Directors for additional costs such as repaving of roads, major hurricane damage, or such other major work that has not been included in the budget, and is not covered off by the Annual Dues. The Special Assessment must be approved by a majority of Members at an Annual General Meeting, or at an Extraordinary Special Meeting, or in writing.

**5.5 - FEES:** Fees shall be charged to those Owners of lots by the Board of Directors for those expenses made by the HOA charged to an Owner regarding infractions of the Bylaws. In the event that the HOA provides materials or services that will benefit a single lot site and those services or materials are accepted, or not accepted, by the Owner, and those services can be lot clean up, gardening, legal costs, and any other service that is required for the property that has not been properly maintained by the lot owner, and that cost of service shall be called a fee.

**5.6 – RESERVE FUND:** This is a fund put in place for long term maintenance items such as road maintenance, and for calamitous events such as major damage from a

hurricane. 5% of the budget will be directed to the Reserve Fund on an annual basis. The goal is to build a reserve fund so that special assessments are no longer required.

**5.7 - DUES:** The annual dues, special assessments and fees will be determined and these will become a financial obligation equally enforceable to every lot or house, and these can be collected by the Board of Directors of the HOA.

**5.8 – DUES DEADLINE:** The deadline for payment of annual dues is January 1 of the start of each fiscal year. The time deadline for payment of Special Assessments and fees are as specified by the Board. If the annual dues are not paid by January 1<sup>st</sup> of the following fiscal year, then the dues will be declared unpaid, and the Owner will be declared delinquent in their dues, and a 10% interest charge will be added to the Owner's dues.

**5.9 – INTEREST:** Each Member is obligated to pay the HOA dues, and any dues not paid within 30 days of the payment date deadline will have a 10% compound interest charged to the Owner's due balance, and this 10% compound interest charge will be added every year until full payment is received. The Owner is personally obligated for these dues and the HOA can take legal action against the Owner including interest and legal costs as detailed in Article 5.1. Further, no Owner is free of their obligation of payment of the dues for abandonment of their lot.

**5.10 - CERTIFICATE OF PAYMENT:** The HOA will provide to any Member making a payment of dues a certificate of payment, upon request, and this must be stamped and signed by a Board Member or its authorized agent, and it shall state if all the dues have been paid by the Owner, or if there is any remaining balance due, the remaining balance must be stated on the certificate.

**5.11 - NO COMPENSATION:** All dues must be paid based on the amounts specified and no compensation for this amount for any reason, including with no limits, any refund of payment. There shall be no issues about this payment, if the HOA has not completely fulfilled its obligations.

## **ARTICLE 6 – CONSEQUENCES FOR NON PAYMENT OF DUES**

**6.1 - DEBTS:** Any dues described in these Bylaws that are not paid by the deadline, will be considered unpaid. If any dues are not paid within 30 days after the deadline, these dues will be charged with interest compounded at the rate of 10% per year. The HOA can, at its election, demand the Owner according to Sonoran law and according to Article 5.1 of these Bylaws, for a procedure to lien against the lot, and house if one exists and it will be added to this amount the total of the dues and attorney cost. If there is a trial this will also include the interest and attorney cost and all other

expenses. Each Owner gives authorization to the Board of Directors and to its legal representative to carry out legal action against the Owner delinquent in their dues, and to lien against their property.

**6.2 - LIEN ADVICE:** There will be no legal action, and no legal procedure to sell the property to recover the dues not paid by the Owner before 90 days after being notified of the lien being registered by the HOA on the public records of the City of Guaymas, Sonora, Mexico, and a notice has to be sent to the Owner by registered mail or if the property has been registered in a trust, then a copy shall be given to the bank that is holding the trust. The legal file for the legal action shall contain all the Owner information, the property information, the amount due and all the legal and attorney costs and the 10% interest and the information of the HOA.

**6.3 - SALE OF THE LOT:** The lien can be requested by the HOA by selling the lot and/or house and the sale of the lot and/or house shall be done by the HOA, its legal representative or any authorized person. When the Owner does not pay the specified charges of the cost of the lien and the dues within 90 days after being notified, then the sale of the lot and/or house can be done according to Mexican and Sonoran laws.

**6.4 - DEBT COMPLETED:** When the payment is made within the time frame to do so, then the legal representative or the authorized person must register the completion of the payment and cancel the lien at public records, and the Owner must pay the amount to be paid at public records to cancel the lien or any other legal cost.

**6.5 - ACCUMULATIVE RESOURCES:** The lien on dues and the legal rights and the sale of lots and houses will be additional incomes to the HOA and will not be a substitute to those annual dues and any other incomes acquired according to Sonoran Mexican law.

**6.6 - OTHER COLLECTION PROCEDURES:** The Board of Directors of the HOA will have other methods for collection of delinquent dues as detailed in Articles 6.7 to 6.10, such methods to be used in an escalating manner.

**6.7 – LOSS OF VOTING RIGHTS:** Members of the Association who are delinquent in their dues will lose their voting rights, will not be allowed to attend meetings or participate in any discussions on HOA matters, or be nominated or elected to the Board of Directors or be a member of any of the Committees.

**6.8 – PUBLIC EMBARRASSMENT:** Members, who are delinquent in their dues, will be posted on the HOA's website with their name, amount of delinquent fees and property address for public view by their neighbors.

**6.9 – WITHDRAWAL OF SERVICES:** Members who are delinquent in their dues will have the following HOA services withdrawn:

- No vehicle access permit(s) will be issued to Members who are delinquent in their dues.
- The driver of the nightly security patrol will be instructed to disregard any security breaches or other damage to a Member's house, who is delinquent in their dues.
- Security staff at the gate will be instructed not to assist Members who are delinquent in their dues.
- The property manager will be instructed not to assist Members who are delinquent in their dues, and to disregard any security breaches or other damage to the Member's house that he notices in his regular inspection trips of the community.
- Any other services that the HOA provides will be withdrawn from Members who are delinquent in their dues.

**6.10 – SALE AND TITLE RESTRICTION:** For Members who are delinquent in their dues, the HOA will send notification that their property cannot be sold or have title transferred, until the HOA issues a certificate of payment that the delinquent dues have been fully paid. This notification will be sent to Government Title Registration, to Notarios, to real estate firms and if the Member holds a trust, to the bank that holds their trust agreement.

**6.11 – NEW OWNER DUE OBLIGATIONS:** The new Owner of a property, whether by purchase or transfer of the property, must ensure that all delinquent dues, interest charges, legal expenses, et cetera of the previous Owner are paid by the previous Owner or these delinquent dues, interest charges, legal expenses, et cetera will become the obligations of the new Owner.

## **ARTICLE 7 – BASIC RULES**

**7.1 - USE OF PROPERTY:** Every lot site of this subdivision must be used only for the construction of a private single family house with the necessary equipment and the necessary structure, including a carport, or indoor garage for a minimum of two vehicles, and not more than three vehicles, of which one can be a boat.

**7.2 - SUBDIVISION OF SITES:** No lots can be subdivided under the original size without the written consent of the HOA.

**7.3 - SERVICES AREAS OR EASEMENT:** Each lot is subject to an easement to create, to build, to operate and to maintain public drainage, light poles, and power conducts, heat, telephone, TV cable and any other need to service the community. These installations must be underground just as they are shown on the master plan registered at the public records. On these lots, there cannot be any structure, plant or



material that can stop or damage the installations, and that would not allow the maintenance of these installations. These easement areas, drainage and service areas must be maintained by the lot Owner except for those installations that will be maintained by authorized personnel for the HOA or governments, or for those corporations that operate these installations.

**7.4 - GRADIENTS, SLOPE AND DRAINAGE:** Changes cannot be made to gradients, elevations of lots, and alterations on levels, embankment or depressions that will change or alternate the established drainage system.

**7.5 - PROPERTY MAINTENANCE:** Each Owner agrees to conserve, to maintain, to water, to plant and transplant all the areas and surrounding areas of the house and to prevent the erosion of the vacant lots and to make it attractive and clean at all times. No grass or plants shall be planted across or within the limits of the golf course that will damage the golf course grass in order to prevent damage to the golf course grass and the golf course greens.

**7.6 - ANNOYANCE:** No activity or action that is annoying to the Owners can be made on any of the lots or in the neighborhood. It is prohibited to have any activity that causes annoyance to residents and occupants of property or anything that brings turmoil, discomfort and loss of tranquility to the neighborhood. This also includes storing any materials that can cause contamination, fire or to create a problem of disease or bad odor.

**7.7 - PETS:** All pets, cats, dogs or any other domestic animals must be kept on the property and cannot run loose or cause problems to people in the neighborhood such as barking or harassing or attacking walkers, cyclists, et cetera. Owners of barking dogs are responsible to ensure their dog(s) stop barking and annoying neighbours. Further, pets being walked must be kept on leash, and any pet excrement must be picked up by the owner of the pet. It is prohibited to breed animals or pets or insects for commercial purposes. There will not be permitted any act that will increase the fee for the insurance policy on the entire property.

**7.8 - ABUSE OF SECURITY GUARDS:** No abuse or harassment, whether verbal or physical, will be tolerated with respect to security guards, or other HOA staff, including the property manager.

**7.9 - SOLICITATION:** No soliciting from anyone is permitted at an Owner's house, and if one is solicited, you should report this immediately to security, or to the property manager.

**7.10 - TEMPORARY RESIDENCY:** No camping tent, shack, RV, carport or house under construction can be used as a residence, temporary or permanent, and no temporary house can be built for living while building the real house. However, it is authorized to

build a construction shack to be used to store materials for the construction of the house and this shall be removed when the house is finished, or if the house is not finished within 2 years, the construction shack must be removed by the Owner. If the construction shack is not removed within these time limits, the HOA has the right to remove the construction shack and charge the Owner the costs of doing so.

**7.11 – MEXICAN DRIVING LAWS:** All drivers within the entire property must obey all Mexican driving laws, including being licensed to drive. All drivers of ATV's must be at least 18 years of age and wear helmets as required under Mexican law. Speed limits within the entire property are 40 kilometers per hour, or 25 miles per hour, and must be obeyed.

**7.12 - VEHICLES:** No trailer, RV, trucks over three tons, boats over 7 meters long or any other similar equipment can be parked on any adjacent lot or street for more than 12 hours. These can be parked in any open carport or garage. Car, boat, RV or any vehicle painting job is prohibited. No mechanic shops are allowed in this neighborhood unless there is an emergency repair, and these can be done indoors.

**7.13 - CARPORTS AND GARAGES:** Carports, and or garages, are not to be used for any other purpose but for parking of vehicles, boats, ATV's, or bikes.

**7.14 - PARKING:** Guests or trades people of Owners or renters, if parking on the street, should only park on one side of the street in order to allow the orderly flow of traffic. It is the responsibility of the Owner or renter to inform and enforce this parking rule for their guests.

**7.15 - WASTE:** No lots can be used for waste dumping garbage or any other materials that are waste. Garbage and other waste must be put in plastic bags and into a garbage can for pickup by the City of Guaymas garbage service. Garbage shall be put out no more than 18 hours before pick up, and into a garbage can so that dogs and other animals cannot cause a mess. Owners who throw garbage or plant debris on empty lots will be charged the cost of the removal of the trash and/or plant debris. Construction debris must be picked up periodically during the construction time period.

**7.16 - WELLS, MACHINERY, MINE, BUSINESS AND COMMERCIAL:** No commercial business or factories are allowed within the entire property. It is prohibited the operation of water wells, oil, gas, etc., the operation of mines, the construction of tanks, tunnels, mineral excavation and the storing of any other kind of machinery, or structure equipment for business purposes within the entire property.

**7.17 - SAN CARLOS COUNTRY CLUB:** The entire property which has been developed surrounds the golf course of the San Carlos Country Club as is described in Appendix

"B" and the use of the San Carlos Country Club will be restricted and limited only to a golf course.

## **ARTICLE 8 – RENTAL RULES**

**8.1 – RENTAL RULES:** The HOA, under Articles 8.1 to 8.6 of the Bylaws, has the following rules to be obeyed by all renters. These rules are in place so that all residents and renters can enjoy the amenities of the community as well as the golf course, and live in peace and harmony with one's neighbors. Any infraction of these rules will be immediately reported to Security @ 226-0797 so that the infractions can be appropriately dealt with. Residents observing any infractions should not try to resolve the infraction directly by themselves, but should immediately report the infraction to Security, or the property manager, for resolution.

### **8.2 – VEHICLE RESTRICTIONS:**

- The speed limit is a maximum of 25 miles per hour (40 km/hour)
- Drivers of ATV's should be a minimum of 18 years of age as per Mexican laws
- ATV's are not allowed on the golf course
- Vehicles are not permitted to be parked on both sides of the street

### **8.3 – NOISE RESTRICTIONS:**

- Quiet time after 10 PM
- No music after 10 PM
- No annoying noise in the streets at any time

### **8.4 – GARBAGE RESTRICTIONS:**

- No throwing of garbage onto the streets or vacant lots

### **8.5 – PET RESTRICTIONS:**

- Pets must be on leash, and any excrement must be picked up by the owner

### **8.6 – OTHER RESTRICTIONS:**

- No consumption of alcoholic beverages on the streets
- Maximum restriction of 8 renters, including children, per house

## **ARTICLE 9 – GUEST & VISITOR RULES**

**9.1 – GUEST & VISITOR RULES:** The HOA, under Articles 9.1 to 9.6 of the Bylaws, has the following rules to be obeyed by all guests and visitors. These rules are in place so that all residents, renters and guests can enjoy the amenities of the community as well as the golf course, and live in peace and harmony with one's neighbors. Any infraction of these rules will be immediately reported to Security @ 226-0797 so that the infractions can be appropriately dealt with. Residents observing any infractions should not try to resolve the infraction directly by themselves, but should immediately report the infraction to Security, or the property manager, for resolution.

**9.2 – VEHICLE RESTRICTIONS:**

- The speed limit is a maximum of 25 miles per hour (40 km/hour)
- Drivers of ATV's should be a minimum of 18 years of age as per Mexican laws
- ATV's are not allowed on the golf course
- Vehicles are not permitted to be parked on both sides of the street

**9.3 – NOISE RESTRICTIONS:**

- Quiet time after 10 PM
- No music after 10 PM
- No annoying noise in the streets at any time

**9.4 – GARBAGE RESTRICTIONS:**

- No throwing of garbage onto the streets or vacant lots

**9.5 – PET RESTRICTIONS:**

- Pets must be on leash, and any excrement must be picked up by the owner

**9.6 – OTHER RESTRICTIONS:**

- No consumption of alcoholic beverages on the streets

**ARTICLE 10 – ARCHITECTURAL CONTROL**

**10.1 - ARCHITECTURAL BOARD COMMITTEE:**

**a) Purpose:** The purpose of the Architectural Committee is to verify, to achieve and to preserve the objectives of visual harmony established by the HOA. The function of the Architectural Committee is to impose the restrictions described in these Bylaws. The Committee is to review the plans and specifications submitted for approval and also by physical inspection of the construction so they can determine if the construction is within the Bylaws. It is not intended to interfere with the Owner to build his dream home, but to protect the community and to protect every resident of undesired

construction, in case of penury or any other justified reason. The Committee will determine if they can approve a project, with some exceptions, according to their own judgment to those Owners that present a written application for plan approval.

**b) Members:** The Committee will consist of three people and these individuals will be determined by the HOA, and two of these three people must be HOA Members. In case of the decease or resignation or ejection of any Member of the Architectural Committee, the Board of Directors will designate a new Member.

**c) Functions of the Architectural Committee:** The three Members will work individually, reviewing the plans and the specifications submitted for approval and then they will discuss the project as a group. The agreement of two Members will be considered as approval whether it is a preliminary project, or a final project. The notification of approval or rejection shall be in writing and sent by mail or e-mail or given in person to the Owner. The approval or disapproval can be registered in the public records of Guaymas, and that will be evidence of the approval or disapproval by the Architectural Committee. The Architectural Committee cannot be held responsible if there is an error or defect in the plans submitted for approval or the construction made, added on, modified or kept according to the plans and specifications.

**d) Presentation of Preliminary Plans:** Each Owner of a lot where a house is projected to be built must pay any delinquent fees and submit to the Architectural Committee a set of preliminary plans, drawings or pictures of the work that will be done and that will consist of a set of plans of the lot where the house will be built on, a plan of the architectural set up of the house, the elevation and any other additional plans if necessary.

**e) Presentation of Final Plans and Specifications:** Once the preliminary plans have been approved, there must be presented two complete sets of plans to the Board and those plans must be a set up of the house on the lot, elevations, structural type of materials to be used and dimensions of construction, hydro sanitation plan and electrical, border lines, walls, gardens and patios, drainages and access and any other information regarding the completion of the house. The Owner should provide as many details as possible to illustrate the final design, its completion of the house and use of materials, some samples of the exterior materials and the final colors for approval, before the Board can approve the project, The Board can demand that the specifications will be as close to the approved project as possible, and to be subject to the same specific norms that are mentioned in these bylaws and other applicable rules.

**f) Government Requirements:** The approval by the Architectural Committee does not free the Owner from complying with the requirements of the government or any other authorities with jurisdiction in this area. The approval by the Architectural Committee

of any plan or specification will not be held as a removal of the right to reject any other characteristic or element within the plans or specifications, if these characteristics or elements are included in revised plans or specifications subject to the approval of the Architectural Committee.

**g) Inspection of the Construction:** During the period of construction, the HOA or any other of his representatives or one of the Committee Members can at any time stop by to inspect any property with the purpose of verifying the observance of the approved specifications. Any deviations from the approved plan must be corrected. Neither the HOA nor the Committee Members can be fined or sued for trespassing when doing the inspections.

**h) Construction Shacks:** The Architectural Committee can approve a construction shack for the storage of materials, but the construction shack must be removed when construction of the house is completed or within 2 years, whichever is sooner.

**i) Perimeter Fence:** The Owner must construct a perimeter fence around the construction site to contain garbage and other debris from blowing onto other people's property, including the golf course. The perimeter fence must be removed when construction of the house is completed or within 2 years, whichever is sooner.

**j) Incomplete Houses:** The house must be completed within 2 years, and if it is not completed by the end of the second year, the construction deposit, as per Article 10.1 l, will become non-refundable. For each subsequent year, after the second year, that the house is not completed, there will be a \$5,000 pesos penalty payable to the HOA.

**k) Construction Fee:** The Owner will be charged a \$5000 pesos fee, non-refundable, for the cost of the review and inspections by the Architectural Committee. This \$5000 pesos fee will be refunded to the Owner, if the Owner's plans are not approved by the Architectural Committee.

**l) Construction Deposit:** The Owner will be charged a \$20,000 pesos deposit against removal of construction debris and repair of any road damage, or other damages. The \$20,000 pesos deposit is refundable if all construction debris is removed, any road damage is properly repaired, and there are no other outstanding issues. However, if the house is not completed within two years as per Article 10.1 j, the construction deposit will become non-refundable and the property of the HOA, and the Owner will still be responsible for the cost of removal of construction debris, road damage and any other outstanding issues.

**m) Letter Of Agreement:** The Owner must sign a letter of agreement acknowledging they are in receipt of the Architectural Bylaws, agreeing to a \$5,000 pesos construction fee, a \$20,000 pesos construction deposit, abiding by the time limits for any construction shack, building a perimeter fence and abiding by the time limits for the

perimeter fence, and abiding by the time limits for completion of house construction within a 2 year period as per Articles 10.1 h, 10.1 i, 10.1 j , 10.1 k, and 10.1 l, if the Architectural Committee is willing to approve the Owner's house plans.

**n) Previous Incomplete Houses:** Any house that has not been completed prior to the approval of these Bylaws, and has been in a state of incompleteness for more than 2 years will be charged a penalty of \$5,000 pesos for each year that it remains uncompleted after the approval date of these Bylaws, payable to the HOA.

**o) Road Repairs:** When an Owner cuts a hole in the road to access utilities, or for any other purpose, then the Owner must do a proper repair of the road damage. The hole must be cut, excavated to a 10 centimeter depth, compacted and filled with a minimum of 10 centimeters of asphalt or cement with proper compaction (prior to asphaltting, the hole must be completely oiled on the bottom and sides and 5 centimeters beyond the cuts), and then have the cuts sealed. This work requires inspection by the Architectural Committee prior to the laying of the asphalt or cement.

## **10.2 - ARCHITECTURAL NORMS AND ITS OBSERVANCE:**

**a) Norms of the subdivision:** The following restrictions do not take precedence over or interfere for those established subdivisions Bylaws of the state of Sonora or any other applicable jurisdictions.

### **b) Space of construction:**

(I) Uncover strip: all the structures must be three (3) meters away from the road, one (1) meter from the adjacent lot and five (5) meters from the golf course of the San Carlos Country Club.

(II) Easement within the lot: The structures and the terrace of gardens must be coherent with the adjacent neighbors to maintain the visual harmony. The gradient cannot be changed resulting in drainage problems for neighbours or the community as per Article 7.4.

(III) Height restrictions: no building can exceed the five (5) meters and their must only be one level.

(IV) Lot covered: the covered surface with structure or pavement will not exceed over 60% of the lot.

(V) Walls: Any wall within the set back and the kind of material, color, height and the function must be approved by the Architectural Committee and will be declared in writing previous to the construction of it. The Architectural Committee must inspect and consider the location, the level of the ground, the topography, and situation of the

property and the static of the entire construction before the approval. The walls, metallic structures and protective iron bars will not exceed one meter high and the Owner must take care of them at all times and keep them in good shape.

(VI) Disposition of gardens: The construction of gardens must be made by the Owner around his house; in front, or the sides and in the back of the property within the first 90 days after the house has been finished and the garden must be maintained at all times so the area is appealing to the rest of the community.

**c) Basic Norms for Structures:**

(I) Type and design of characteristics: the exterior design of the construction must be approved by the Architectural Committee at its discretion and their decisions may not be in appealed.

(II) Colors: all the exterior colors, textures and materials including the roofs must be shown in the plans and the specifications approved by the Architectural Committee prior to construction. The nearest construction and the entire community will be considered for the acceptance or rejection of the suggested colors.

(III) Size specifications: no residence can be built on a lot with a building less than 100 m<sup>2</sup>, excluding in this area the garages, patios, outside stairways and it will be taken as constructed area the limits of the exterior walls of the living areas and it will be measured on the interior walls.

(IV) New materials on structures only: Second hand materials are not permitted to be used without a written authorization of the Architectural Committee. No building can be moved from one side of a lot to another, or from one lot, to another without written authorization.

(V) Announcement: No signage of any kind, and for no reason, can be placed on any lot with the exception of a) a small sign no bigger than 15 cm by 50 cm that shows the name of the Owner of the house b) the HOA or his representatives.

(VI) Diligence of construction: The construction jobs for any house must be completed in a consecutive way from start to finish. There can be no occupancy of the house until it is completed. The shack to store construction materials must be demolished at the time that the construction is finished, or within 2 years, which ever time is sooner. The construction program will be part of the plans and specifications and this will be subject to supervision by the Architectural Committee.

(VII) Modifications, additions, demolitions and redecorations of exterior structures: These cannot be made without the written authorization of the



Architectural Committee. There cannot be alterations to the exterior design or color of any structure and no additions without Committee approval, and no additions shall be made without approval. The materials to be used for a modification must be according to the original building and must be approved by the Committee before the modification. There is no requirement to obtain approval to repaint a house the same color as previously approved.

(VIII) Clothes hangers, storage areas etc.: No clothes hangers, storage areas, equipment or patio furniture will be permitted on vacant lots.

(IX) Tanks: All the tanks of gas, water, gasoline, oil or any other type has to be covered underground or on the sides of the house and shall be covered with walls or ornamental plants that shall be approved by the Committee.

**10.3 - CONSTRUCTION PROCESS REQUIREMENTS:** An Owner and his contractor must complete the following requirements in order to construct a house in the San Carlos Country Club:

a) Demonstrate ownership of the property by presenting a copy of the title, trust, contract of purchasing agreement or any other document that will prove the ownership of property.

b) Pay the homeowner dues up to date, or show a payment receipt.

c) Present the plans of the house to be built (architectural plan, facades, height and any other requirement by the municipal authorities) that show the complete project. If the project complies with the San Carlos Country Club Bylaws, the Director Responsable de Obra (DRO) must present 4 complete sets of plans and these will be stamped and signed by the Architectural Committee.

d) If the plans are going to be approved by the Architectural Committee, the contractor or DRO will be supplied with a letter of agreement which the Owner or their agent must sign in order to receive the approval of the plans. The Owner is signing the letter of agreement agreeing to a \$5,000 pesos construction fee, a \$20,000 pesos construction deposit, abiding by the time limits for any construction shack, building a perimeter fence and abiding by the time limits for the removal of the perimeter fence, and abiding by the time limits for house construction within a 2 year construction time period as per Articles 10.1 h, 10.1 i, 10.1 j and 10.1k and 10.1 l.

d) Once the plans are approved:

(l) The contractor, or the DRO, will deposit the amount of \$5,000.00 pesos as a construction fee in favor of Residente de San Carlos Country Club A. C.

I) The contractor, or the DRO, will deposit the amount of \$20,000.00 pesos as a construction deposit in favor of Residente de San Carlos Country Club A. C. to warrant the repair of any damages done to the infrastructure of the neighborhood, for clean up, to obey the Bylaws and to maintain the surrounding areas of the construction in a clean manner. This deposit will be returned as per Article 10.1 I if all damages are repaired and the house is completed within a 2 year time period.

(III) The Contractor, or the DRO, will be responsible to provide a copy of identification for every worker working on the house construction.

(IV) The Owner is responsible for contracting with the utility services companies for water, sewage, and electricity. DO NOT TAKE THESE SERVICES FROM THE NEXT DOOR NEIGHBOR.

(V) The construction must be executed in the lot that the permit was given for and will not use the streets, cul de sacs or vacant lots to deposit any materials or debris, or use the street to do work on such as rebar, metal or wood. Workers must keep any garbage on the property and give it to the garbage collectors on the garbage days, and every day before the end of the work, they must pick up any garbage around the property. Workers' cars must always be parked on the same side of the road or the next cul de sac.

(VI) The Contractor, or the DRO, is obligated to install a portable potty for the crew and must keep it clean at all times.

(VII) The Contractor, or the DRO, is directly responsible for the behavior of his workers within the Country Club and will be responsible for them for any violation that workers may make.

(VIII) The speed limit for the San Carlos Country Club roads for every vehicle is 40 km/hour (25 miles/hour). Every vehicle driven within the Country Club in relation to a specific contractor is also the contractor's responsibility.

(IX) Oversized dump trucks exceeding 14 m<sup>3</sup> of materials are not allowed in the Country Club.

(X) The use of drugs, alcoholic beverages, loud music, or any annoying noise, or any obnoxious behavior within the Country Club is prohibited.

(XI) It is not acceptable for workers to stay overnight on the job for any reason, and the working hours will be no later than 6:30 PM during the summer months and 5:00 PM in the winter months.

(XII) There will be routine visits by the Architectural Committee at any time to verify strict compliance of the requirements, and an inspection is required for any road repairs.

## **ARTICLE 11 – SAN CARLOS COUNTRY CLUB GOLF COURSE**

**11.1 – GOLF COURSE:** Members of the HOA are located on 14 of the 18 holes of the San Carlos County Club Golf Course. It is in the best interests of both the HOA and the Golf Course to respect each other as good neighbors. For HOA Members, a high quality golf course increases the beauty of the surroundings, and also enhances property values. In addition, as many Members of the HOA golf, they desire a high quality golf course. We request that Members of the HOA adhere to the following Golf Course rules per Articles 11.1 to 11.6 of the Bylaws, and note that these rules are similar to rules you would expect for any golf course in Canada, Mexico or the United States. These rules are designed for safety reasons and for property damage control. Any infraction of these rules will be immediately reported to Security @ 226-0797 or the property manager so that they can be appropriately dealt with.

**11.2 – VEHICLES:** The Golf Course prohibits automobiles, motorcycles, bicycles or ATV's on its property. Only golf carts are allowed.

**11.3 – WALKERS:** The Golf Course prohibits walkers or children playing on their property, other than golfers.

**11.4 – PETS:** The Golf Course prohibits pets on their property, and any pet owner should ensure that if their pet is illegally on golf course property, that any pet's excrement is removed.

**11.5 - TRASH:** Trash such as construction debris or tree prunings should not be thrown onto golf course property. Golf Course employees have been instructed to throw such trash back onto the property of the offending homeowner.

**11.6 – ENCROACHMENT:** The Golf Course prohibits home owners from building structures on golf course property, or extending landscaping from their property onto golf course property.

## **ARTICLE 12 – ADDITION OF LATER DEVELOPMENTS**

**12.1 – ADDITION OF PROPERTY:** The HOA can, according to the following specifications, and at its own discretion, add to the entire property of this community.

**12.2 SPECIFICATIONS:** The addition of any other property will be effective when the HOA has declared and registered at the public records of Guaymas, Sonora, Mexico the following:

- a) Bylaws that will (i) describe the property that will be added (ii) establish and or refer to the limitations, restrictions, obligations and conditions applicable to that property, and (iii) declare that this property will be maintained and will keep, transfer, lien, mortgages, rented, used, occupied and improved and it will be subject to the Bylaws.
- b) When the addition of the property is effectively made to the entire property, this addition will come to constitute a part of this entire property and the HOA will accept and will have jurisdiction over this property like the entire property.
- c) The Bylaws will be applicable to the entire property.

### **ARTICLE 13 – MEMBER MEETINGS & VOTING RIGHTS & QUORUM**

**13.1 - ANNUAL GENERAL MEETING:** The Annual General Meeting will be scheduled by the Board of Directors, and can be no later than 90 days after the closing of the fiscal year of the HOA.

**13.2 - EXTRAORDINARY SPECIAL MEETING:** There can be an Extraordinary Special Meeting at any time scheduled by the Board of Directors, or by written requirement or by e-mail of no less than 15% of the Members.

**13.3 - ANNOUNCEMENT AND PLACE OF MEETINGS:** There will be an announcement in writing to every Member of the HOA of Meetings. This announcement shall be sent to everyone by mail or by e-mail 15 to 30 days in advance, and this notice must be sent to the Owner`s address that is in the HOA directory. The notice must specify, the place, the time, and the day of the Meeting, and will also be posted on the HOA website.

**13.4 - QUORUM:** The presence by person or by power of attorney to any Meeting of the Members that have the right to attend and to vote must be at least 51 % (fifty one percent) of the voting Membership and they will make the quorum for any action, unless otherwise specified in these Bylaws. In the case that there is no quorum at the time set for the meeting, the meeting shall be called to order 5 minutes later with the present attendance, as if there were another Meeting. The decisions shall be taken from the majority of the attending Members, and their power of attorneys, and it shall always be with no less than 60% of the assisting Members, unless it is stated in the Bylaws that a larger percentage of attendance is required for a specific matter.

**13.5 - POWERS OF ATTORNEY:** At every Meeting of Members, each Member can vote in person, or by power of attorney, utilizing a proxy. The power of attorney must be in writing and must be registered with the Secretary of the Board of Directors before the Meeting. Each power of attorney will be revocable, will be cancelled if the Member attends the Meeting, will automatically expire after the Meeting, will only be good for

one session, and will also be cancelled if a notice is received by the Secretary of the Owner being deceased.

**13.6 - VOTING:**

- a) The Owner of each lot will have the right to one vote.
- b) Any Owner, who has a house on their lot, will be entitled to 3 votes for their lot.
- c) When more than one person owns a lot, the Owners of that lot will determine how to use the one vote, but will never have more than one vote for that lot, and when there are multiple Owners for a house, the Owners will determine how to use their 3 votes, but will never have more than the three votes.
- d) Any Owner with more than one contiguous lot attached to their house, and who maintains the lots according to HOA requirements, is not required to pay any annual lot dues other than the annual due for their house, and will not have any voting rights for these lots other than the 3 votes they have for their house.
- e) An Owner who is delinquent in their dues has no voting rights as per Article 6.7

**ARTICLE 14 – BOARD OF DIRECTORS, SELECTION, TERM OF SERVICE**

**14.1. - NUMBER:** The matters of this HOA will be handled by a Board of 7 Directors and these Directors must be HOA Members.

**14.2. – TERM OF SERVICE:** At the Annual General Meeting, the Members will elect up to 7 Directors for a term of service of two years for each Director.

**14.3 - SUBSTITUTION:** All the Board of Directors can be removed from the Board, with or without a reason, by the vote of the majority of the HOA Members. An individual Director cannot be removed before the term of service in force, if the number of votes against their removal is bigger than the number for votes for their removal. In case of a death, resignation or removal of a Director, their successor can be elected by the majority of remaining Board of Directors and will serve only for the remaining term of the previous Director that was substituted.

**14.4 - COMPENSATION:** None of the Directors will receive compensation for any service that they provide to the HOA. However, they will be reimbursed for any expenses made on behalf of the HOA.

**14.5 - INDEMNITY OF COMMISSIONERS AND DIRECTORS:** Each Director and Officer must be indemnified by the HOA and the Members against all the expenses and responsibilities including attorney fees for any legal matters that can occur during the

completion of their time on the Board of Directors, or any other committee matters except in the case of fraud or negligence of the Director or Officer.

## **ARTICLE 15 – NOMINATION & ELECTION OF DIRECTORS**

**15.1 - NOMINATION:** Nomination for the election of the Board of Directors will be by a committee of nomination. The nominations can also be made at the Annual General Meeting. The nomination committee will consist of the President, two other Directors and two or more HOA Members. The nomination committee will be designated by the Board of Directors 60 days before each Annual General Meeting of Members, to be active until the adjournment of the Annual General Meeting. The nomination committee will make as many nominations for the Board of Directors as required, but no less than the number of vacant positions on the Board of Directors. A nominee must be a Member of the HOA, and current in their dues.

**15.2 - ELECTION:** The election of the Board of Directors, by the Members or their representatives, will be based on the votes that the Member is entitled to under the Bylaws. If there are more nominees than vacancies, the vacancies will be filled by the Members nominated that receive the most number of votes.

## **ARTICLE 16 – BOARD OF DIRECTOR MEETINGS**

**16.1 – REGULAR MEETINGS:** The Board of Directors will meet at least four times per year at the time and place established by the Board of Directors. The notice for this Board meeting will be posted on the website so all Members are advised of this meeting.

**16.2 - SPECIAL MEETINGS:** Special Meetings of the Board of Directors will be determined by the President of the HOA or by any other Board Member, and after no less than three days of notification to each Board Director.

**16.3 - QUORUM:** A minimum of 3 Directors will constitute a quorum in order to discuss a matter. Each matter taken to an agreement or decision by the majority of the attending Directors, in a meeting where there is a quorum, will be an act of the Board of Directors.

**16.4 - REGULAR AND SPECIAL MEETINGS OF THE BOARD OF DIRECTORS:** All the special and regular meetings are open to all the HOA Members, unless the Member is delinquent in his dues. Attending Members can participate in the discussion of a matter, but will have no voting rights in the decision of the Board of Directors.

**16.5 - ADJOURN A MEETING:** The Board can, with the vote of the majority of a quorum, adjourn the Meeting.

## **ARTICLE 17 – OBLIGATIONS OF THE BOARD OF DIRECTORS & POWER OF ATTORNEYS**

**17.1 - OBLIGATIONS:** The obligations of the Board of Directors will be:

a) To maintain a complete registry of all the acts and business and to present a report to the Members of all these acts at the Annual General Meeting.

b) Supervise all the employees and agents of the HOA, and to follow up on their obligations as appropriate.

c) To determine the following:

(1) To establish the annual budget and determine the dues for each lot, and to send out a notice in writing of dues to each Owner.

(2) To obtain a minimum of 3 quotes for major capital projects.

(3) To register a lien, and or mortgage, against any property for which dues are delinquent, and to start a legal action against an Owner personally obligated to pay the dues.

(4) To issue a certificate of payment stating if a property's dues have been paid, or have not been paid, when a certificate is requested by any Owner .

(5) To have and to maintain a civil responsibility insurance policy.

(6) To designate a property manager, with reasonable wages, and to delegate the responsibilities and the authority to administer the entire property.

**17.2 - POWERS:** The Board of Directors will have power of attorneys as follows:

a) To use and execute the rules established in the Bylaws of the HOA in order to fulfill the HOA goals and obligations established in the Bylaws according to the funds available in the HOA, including hiring an attorney for a legal trial.

b) To delegate the power of attorney to Directors or employees.

c) To acquire materials, and or contract services for the benefit of the HOA Members.

d) To maintain an insurance policy, or several of them, according to the Board of Directors' decisions or necessities with the purpose of protecting HOA belongings, Directors, Officers and Members.

- e) To have the authority to contract an administrator, and other persons, to negotiate with independent contractors or agents in order to complete the obligations and responsibilities of the HOA.
- f) To have the power of establishing and maintaining a fund for projects and a reserve fund for emergencies for an amount that shall be determined by the Board of Directors of the HOA.
- g) If previously approved by the majority of the Annual General Meeting, the HOA has authority to acquire loans from banks, or any institution that will provide the HOA with funds in the name of the HOA, or to obtain a mortgage or promises or any other benefits that are be needed.
- h) To enforce the rules of the Bylaws that govern the personal behavior of the Members and their visitors and to enforce the consequences of infractions of Bylaw rules, and to draft amendments to the Bylaws for approval by the Members at the Annual General Meeting.
- i) To carry out all the actions as outlined in Article 6 for Consequences of Non Payment of Dues.
- j) To cancel the voting rights of a Member, when such Member has not paid the established dues set by the HOA as per Article 6.7 of the Bylaws.
- k) To apply for liens on property owned by a Member, when such Member has not paid the established dues set by the HOA as per Articles 6.1, 6.2 and 6.3 of the Bylaws.
- l) To execute for the HOA all the powers of attorney, the obligations and the delegated authority of the HOA not reserved to the Members by the Bylaws.
- m) To declare vacant any position of any Director of the Board of Directors when the Director is absent for three consecutive Board of Directors meetings.
- (n) To hire a manager, as an independent contractor, and determine their obligations for a period of time not longer than a year.
- (o) To represent all the home and lot owners in front of the local, state and federal government, to the corporations, to the employees and any other agent that provides services to the community.

**17.3 - POWERS DELEGATION:** The Board of Directors will have the right to delegate any power of attorney. However, any power of attorney delegated to a company, private person or professional management company, or similar, cannot free the Board of Directors of complying to fulfill its obligations.



**17.4 - EMERGENCY POWERS:** The Board of Directors, or any Member, is authorized to access any property in any emergency for any reason of sickness or potential danger of life in emergency situations that would be necessary for the benefit of the neighborhood in common. If any damages are done to a property during the access in order to correct a major problem, those damages will be repaired at the cost of the HOA.

## **ARTICLE 18 – OFFICERS & THEIR OBLIGATIONS**

**18.1 - DESCRIPTION OF THE OFFICERS:** Officers of the HOA will be a President, a Vice-President, a Treasurer and a Secretary, and they will always be Board Directors.

**18.2 - ELECTION OF THE OFFICERS:** The Officers will be elected annually by the Board of Directors during the first Board of Directors meeting held immediately after the Annual General Meeting.

**18.3 - IN FORCE:** The Officers will each serve the HOA for two years, unless that Officer resigns, or is removed from the position.

**18.4 - SPECIAL DESIGNATIONS:** The Board can elect other Officers, if necessary, and only for HOA matters, and each one of them will have a term of one year, and they will execute the instructions that the Board determines for them.

**18.5 - RESIGNATION AND REMOVAL:** Any Officer can be removed from their position by the Board of Directors for any reason. Any Officer can resign at any time, with written notice to the President or Secretary of the Board of Directors, and the resignation will be effective when the notice is received or at the time that the notice is specified and it is not necessary that the Board accept the resignation.

**18.6 - VACANCY:** A filling of a vacancy of any position can be decided by the Board of Directors, and the Officer designated for a vacancy will serve only for the remaining term of the Officer that has left.

**18.7 - MULTIPLE POSITIONS:** The positions of Secretary and Treasurer can be handled by the same person, but no other person can have more than one position, with exception of the special positions created according to Article 18.4.

**18.8 - OBLIGATIONS:** The obligations of the Officers will be as follows:

**(a) President:** The President will lead the Board of Directors, will supervise and make sure that the resolutions of the Board are performed, will sign all contracts and agreements, mortgages, titles and any other written documents and will sign checks and payments.

**(b) Vice-President:** The Vice-President will act on behalf of the President when he is absent, when he is unable to sign, or in case that he does not want to sign and the Board wants him to sign.

**(c) Secretary:** The Secretary will register the votes and will take the minutes of all the meetings and the resolutions of the Board of Directors and of the Annual General Meeting and any Extraordinary Special Meetings and will keep the records updated of all the HOA Members and will do other duties that the Board of Directors assigns them to do.

**(d) Treasurer:** The Treasurer, or as delegated to the Property Manager, will receive and will deposit in the bank accounts all the monies of the HOA, will have all the funds available according to the resolution of the Board of Directors, will sign all checks and promissory notes, will keep all the books and accounting, will prepare all the financial statements and will distribute a copy to each Member within (60) days after the fiscal year the following:

(1) A balance to the last day of the last fiscal year of the HOA and a statement of financial operations for that year. The Treasurer will prepare a budget and will distribute it to all the Members no less than (60) days after the beginning of the next year.

(2) A report of the received dues or pending dues to be received and described by lot number and name of Owner.

In addition, the Treasurer is responsible for financial stewardship, and must ensure there are sufficient checks and balances in the accounting process to identify and eliminate any fraudulent practices

## **ARTICLE 19 – COMMITTEES**

**19.1 – COMMITTEES:** The HOA has designated committees such as an Architectural Committee, Beautification Committee, Equipment Committee, Golf Course Cooperation Committee, Legal Committee, and Security/Utilities Committee on which Directors and/or Members can participate. In addition, the Board can designate other committees that they judge necessary to achieve their goals.

## **ARTICLE 20 – BOOKS & REGISTRATION**

**20.1 – BOOKS & REGISTRATION:** The books, registration and papers of the HOA will be available at all times within working hours for HOA Members to inspect. The Bylaws

for the HOA are available on the HOA's website, as well as minutes of annual meetings, Board meetings as well as other information.

#### **ARTICLE 21 – AMENDMENTS & DISSOLUTION OF THE HOA**

**21.1 AMENDMENTS:** These Bylaws can be modified at any Annual General Meeting or any Extraordinary Special Meeting by the Members by vote of the majority of a quorum of the HOA Members present personally or by proxy.

**21.2 - RIGHT OF PRECEDENCE:** These Bylaws replace the previous Developer's CCR's. In case of a conflict between these Bylaws and the Articles of Incorporation and the previous Developers CCR's, these Bylaws will take precedence.

**21.2 – DISSOLUTION OF HOA :** The HOA can be dissolved at any Annual General Meeting or any Extraordinary Special Meeting by the Members by vote of the majority of 75% of a quorum of the HOA Members present personally or by proxy.

#### **ARTICLE 22 – HOA FISCAL YEAR**

**22.1 – FISCAL YEAR:** The fiscal year of the HOA will start the first day of January and end the thirty first day of December.

#### **APPENDIX A – MAP OF LOTS & COMMUNITY BOUNDARIES**

#### **APPENDIX B – MAP OF SAN CARLOS COUNTRY CLUB GOLF COURSE**