

BYLAWS OF LA CIMA III
As Amended February 24, 2026

CHAPTER I – General Provisions

Article 1001. “Condominium” is the legal structure that encompasses the right to use and modify, property, along with the regulations that restrict such usage, for the joint and simultaneous enjoyment of all owners.

The titleholders of the condominium property are called Owners. Title refers to exclusive ownership of a space or the exclusive use of property, which is designated as a Private Area, including the sole right to use, enjoy or dispose of such area. Title to the Private Area also includes a proportional share of the Common Areas, which share cannot be divided and is inseparable from the title to the Private Area.

The total of the Private Areas and Common Areas made available for use by the Owners is referred as the Condominium Entity.

The total property subject to the ownership and control of an Owner, is referred to as a Private Unit.

ARTICLE 1002. The purpose of the Condominium Entity is to create and maintain a healthy atmosphere, where the Owners may live in a generally orderly and peaceful manner, recognizing at the same time that some degree of mutual tolerance of reasonable noise and habits is necessary among neighbors.

The Owners shall use their units in an orderly and quiet manner, in compliance with the laws of the State of Jalisco and Mexico, these Bylaws, and any supplemental Rules and Regulation adopted by the Board of Directors, or by the Owners at an Ordinary or Extraordinary Owners Assembly. The Homeowners shall respect the standards and rules set out by the Board of Directors, by means of the Administrator, for the use of the pool, pool terrace, hallways and stairways, social areas, parking area and all other Common Areas.

Article 1007. In regard to the classification and construction of the building, as long as they are for general use,

Common Areas include:

I. Foundations;

II. Infrastructure and city utilities;

III. Porticos, doors, corridors, stairways, hallways and patios;

IV. Recreation spaces and gardens

V. Public parking, roads and alleys;

VI. Administration offices, storage areas for the furniture of the condominium, storerooms, areas for porters, security personnel, gardeners and other workers;

VII. Piping and posts to supply gas and electric;

VIII. Cable lines for the telephone, cable television and antenna connections for radio and television;

IX. Wells, water tanks, cisterns, water lines for rain and sewage;

X. Water treatment plants;

XI. Drainage pits;

XII. Drainage and heating lines;

XIII. Elevators, electric escalators and lifts;

XIV. Dividing walls and roofs; and

XV. All other items that based on their nature and utility, have the same purpose.

The Administrator must maintain a complete and updated inventory of all movable and immovable property belonging to the condominium.

Article. 1008. Each Owner can use and enjoy the Common Areas, in accordance with the nature and purpose of the Common Areas, without restricting the use or rights of others.

The rights of every Owner regarding the Common Areas are essential to their ownership, therefore any purchase or sale of an Individual Unit includes a transfer of the Owner's rights to the Common Areas.

An Owner that does not use his or her Private Unit or the Common Areas is not relieved of his or her obligations toward such property.

To conserve the harmony of the Condominium Entity, each Owner must use his or her Private Unit and the Common Areas without affecting the peace and enjoyment of other Owners and cannot use such property in any way that is contrary to the intended use as established in the condominium regime and other registered documents concerning the Condominium Entity.

Homeowners are responsible for establishing compliance by their rental tenants, guests, workers or other persons present with their permission.

Article. 1009. The following rules apply to construction or other work in the Common Areas:

I. Work for the conservation of the building, will be done as determined by the Administrator, following the instructions of the Board of Directors without the need of the Owners' approval, and the expenses will be paid from the maintenance and administration funds;

II. The administrator has the obligation to enforce any warranty that exists from a construction company or the developer, when applicable;

III. Works for the voluntary improvement of the building will be carried out with the prior agreement of the Owners through an Extraordinary Meeting. Said works will be supervised by the Administrator, under the supervision of the Board of Directors or, if a committee has been established for the project, under the Committee's supervision

No work will be carried on that undermines the stability or infrastructure of the building, or that is detrimental to the security or comfort of the Owners. No work may block access to or use of the Common Areas even though it may only affect a single Owner unless such Owner consents and is indemnified proportionally by all the others;

IV. Urgent repairs of Common Areas will be executed by the Administrator, without the need of a previous approval and, if such repair is not done in a timely manner, any Owner may make the repairs, and will be reimbursed for all the expenses, proportionally by the other Owners, after presenting proof of the payment and its justification at the next Owners' Assembly.

Article 1010. Each Owner can carry on any work or modification of his or her Private Area, but no modification can be made that may affect the structure, foundations, dividing walls, roofs, and /or drainage lines; or that could affect the esthetics, safety, durability, or comfort of the building.

Any project by an Owner must be approved by the Board of Directors of the Condominium Entity.

Article 1010 bis. Owners and other occupants of the Condominium Entity may not, without the consent of an Owners' Assembly and in accordance with applicable laws:

I Take any action that affects the peace and comfort of other Owners and occupants, or compromise the stability, security or health of the Condominium Entity nor omit any action that would produce the same results.

II. Carry out acts outside or inside of a Private Area, which prevent or make ineffective the operation of Common Areas, limit or hinder the use of the Common Areas or jeopardize the safety or comfort of the Condominium Entity or its occupants.

III. Do work or repairs at night except in case of emergency;

IV. Demolish or transplant trees and change the use or nature of the green areas;

V. Modify, alter or destroy any portion of the Common Areas.

VI. Pets

Owners and other occupants of the Condominium Entity may not, without the consent of an Owners' Assembly and in accordance with applicable bylaws:

VI. Possess animals that, by their number, size, or nature, affect the security, comfort, or health of the Condominium Entity or its occupants.

Pet Restrictions:

Renters (non-owner occupants) and guests may not bring Pets onto the property.

Only domestic cats and dogs that are commonly recognized as household "Pets" shall be permitted.

The number of Pets permitted per condominium unit is limited to two (2).

Existing Pets that were registered with the Association prior to February 24th, 2026, *the adoption of these rules*, may remain, provided they do not cause disturbances or otherwise violate the governing documents.

In addition, Pets described in the prior sentence may be replaced by their owners provided the new Pet(s) do not cause disturbances or otherwise violate the governing documents.

All Pet owners must register their Pets with the Management Office and provide evidence of breed, weight, and vaccination upon request.

Pets, particularly dogs, should not be left unattended on terraces, balconies, patios, or other exterior spaces of a Private Unit where barking, whining, howling, or other noise

may disturb neighboring residents. Repeated or prolonged noise from Pets, whether occurring indoors or outdoors, shall be considered a nuisance and a violation of these bylaws.

Pets shall not be left unattended within the common areas of the building or grounds. All Pets must be either carried or securely leashed when circulating through the common areas of the building.

Pets are prohibited from the pool terrace and gardens, as well as other designated common recreational areas.

Pets are not allowed to use the common areas of the building or condominium land for urination or defecation. Owners must promptly clean up and properly dispose of all pet waste in sealed containers in a sanitary manner.

The Board of Directors reserves the right to require the removal of any Pet deemed aggressive, dangerous, or otherwise disruptive to the community, regardless of breed or size.

Owners are responsible for ensuring that their Pets do not create disturbances that interfere with the peaceful enjoyment of the Condominium by other residents. The Board may issue warnings, impose fines, and, in cases of ongoing or serious violations, require the permanent removal of the offending pet.

Owners who are not occupying their Private Units themselves remain at all the times personally responsible for execution and completion of all charges, obligation and conditions set forth in these Bylaws and any Rules and Regulations.

Violators of these provisions, regardless of the sanctions established by this title, will be liable for the payment of damages or losses that are attributable to their violation.

CHAPTER II ABOUT THE ADMINISTRATION

Article 1011. All property subject to condominium regime will be administrated by the Administrator designated by the Owners in the annual Assembly. The Administrator may be an individual or a legal entity.

If the position of Administrator is held by an Owner, he or she must first demonstrate that he or she is current in the payment of maintenance fees.

When the Owners' Assembly chooses to hire professional services for administration, the Board of Directors shall execute a contract with the designated person or entity, which

shall not exceed one year and may be renewed only if the Owners' Assembly does not determine otherwise.

Article 1012. The Administrator for the Condominium Entity will have the following rights and obligations:

I. Carry out the decisions made by the Owners Assembly and the Board of Directors, as well as being the legal representative for the Condominium Entity in front of third parties, with the faculties of a legal representative for judicial and administrative purposes. These powers cannot be substituted or delegated unless expressly authorized by the Board of Directors.

When the condominium is part of a compound condominium, the Administrator will observe the resolutions of the general administrator; in case of conflict due to differences between the general administrator and the Board of Directors, the Administrator will submit the conflict to the arbitration of the Urban Development Procurator (Procuraduría de Desarrollo Urbano), who will resolve the dispute. There is no appeal or recourse to such decision;

II. Verify and look after the operation and maintenance of the installations, general services and maintenance of the Condominium Entity;

III. Pay all expenses for administration and maintenance of the Condominium Entity;

IV. Collect all condominium fees and dues as well as issuing receipts for payments received from Owners;

V. Keep all documents and books that support all expenses incurred, which books have to be updated not more than fifteen business days after the expense was incurred;

VI. Keep the books for the condominium, of which there must be at least three:

a) The first book will be to record all minutes of the Owners' Assemblies;

b) The second book will be to record all minutes of the Board of Directors meetings;

c) The third book will be to record all income and expenses of the Condominium Entity; and

d) When determined appropriate, the Owners' Assembly can direct that the Administrator maintain additional records that are considered necessary; such additional records may be maintained on computer systems.

These books must be authenticated on the first available page by the city clerk (secretario del ayuntamiento) for the city where the Condominium Entity is located.

When the entries are recorded in the mentioned books, there should be attached, as appendices, the documents related to the minutes of the meetings.

When for any reason minutes cannot be recorded in the proper books, such minutes, in order to be valid, must be protocolized by a Notary, with residency or jurisdiction in the municipality where the Condominium Entity is located.

VII. Within the first fifteen days of the months of April, July, October and January of every year, to deliver to any Owner that requests or has available at the administration offices for any Owner, a statement of accounts, including:

- a) A detailed report of all expenses for the quarter;
- b) A consolidated report that shows and reflects all income and all past due fees that are due and are pending for payment;
- c) A list of all debtors explaining the origin of his debt;
- d) A list of creditors explaining the origin of their credits; and
- e) Any existing cash balance;

VIII. To call an Owners' Assembly;

IX. To directly or indirectly assist any special committees formed for specific works or purposes;

X. Manage and supervise all inspections and routine maintenance requiring access to the Private Units of Owners, provided that the Owner of each Private Unit shall be notified at least five (5) days before such access is required. If the Owner, or his or her representative, is not present when such access occurs, the Administrator, and its employees or agents, may enter the Private Unit and, provided that the notice described above has been provided, such entries shall not be liable for any damage arising from their entry, unless in the case of negligence.

In the event access is required to perform emergency maintenance to prevent damage to the Common Areas or another Private Unit, the preceding paragraph shall apply, but no prior notice is required.

In order to facilitate access described in this section, each Owner shall provide the Administrator with a key or key code to enter his or her Private Unit. Such key or key code shall be stored by the Administrator in a safe and secure manner. Failure to provide a key or key code shall be deemed consent to entry by any means necessary and the Owner shall be responsible for any costs incurred in accessing the Private Unit, or the sum of One Hundred United States Dollars (US\$100.00), whichever is more, or the equivalent in Mexican Pesos; and

XI. All others that these Bylaws or any other applicable law or the condominium regime set.

Article 1013. The minutes of the meeting at which the Administrator is designated and, if a bond is required to guaranty the fulfillment of the Administrator, such requirement is established, must be protocolized and filed in the Registry of Public Records where the condominium regime was established.

When the appointment is made by the municipal government, it is sufficient if a copy of such action certified by the city clerk is filed as outlined above.

Article 1013 bis. When the Owners' Assembly appoints a new Administrator, the outgoing Administrator within fifteen calendar days provide the new Administrator, all documents including statements of account, monetary assets, furniture, real estate and other assets that have been under the care, safekeeping and responsibility of the outgoing Administrator; this period may be extended only if a justifiable cause for such a delay can be established.

CHAPTER III ABOUT THE BOARD OF DIRECTORS.

Article 1014. The Board of Directors shall be formed by no fewer than 3 and no more than 7, as determined by the Owners at each ordinary Owners Assembly, electing among them a President, Alternate President, Treasurer, Secretary, and the others as members at large.

In the event of a vacancy in the office of President, the Alternate President will serve as President until the next ordinary Owners Assembly.

Article 1015. To be a member of the Board, an individual must be either an Owner or the occupant of a Private Unit with the consent of that unit's Owner and be current in the payment of condominium fees.

Article 1016. The position of member of the Board cannot be delegated, and it is unpaid; however, an Owners' Assembly may determine, when considered necessary, to pay remuneration to one or more members of the Board.

Article 1017. The Board of Directors will have the following rights and obligations:

- I. Represent the individual owners for common issues, with powers of a legal representative for judicial and administrative acts;
- II. Monitor the performance of the Administrator with respect the Administrator's duties, and request any appropriate reports or statements, as the Board deems necessary;

III. Meet at least monthly to receive a report from the Administrator, either oral or written, regarding the operations and business of the Condominium Entity, and to verify the accounts and their entry into the records;

IV. Verify the investment of funds from the maintenance, administration and reserve fund;

V. Work with the Administrator to demonstrate to the Owners that the obligations of the Administrator and Board have been fulfilled;

VI. Provide to the Owners' Assembly, every year during the first trimester, a report concerning the Activities of the Administrator, as well as the general state of the affairs of the Condominium Entity and its financial situation;

VII. When the condominium is both commercial and residential, authorize any contract that concerns the use and occupation of the Common Areas, by any third party apart from the Owners; in this case, contracts executed in contravention of these Bylaws will be null and void by law;

VIII. Authorize the Administrator to give general power of attorney to whomever is deemed appropriate to defend and represent the specific interests of the Condominium Entity. Also, the Board of Directors may grant special powers of attorney; and

IX. The powers of attorney issued pursuant to the foregoing paragraph may include the rights to declare and discharge legal positions, present criminal charges and cooperate with the prosecutor (ministerio público); acquire goods thru auction or outside it, by presenting offers bids and proceeding to execute any resulting contract; and to present or relinquish a claim for trials of constitutional rights. The document granting the power of attorney is sufficient if it contains the following information:

a) The instrument by which the Condominium Regime was established in relation to the construction, mentioning the place and date, the notary that authorized it, the registration number of the instrument, the property affected, its location, and the details concerning the instrument's registration;

b) The Board of Director's authority under the Bylaws, besides those set forth in the law;

c) Any amendments made to the Bylaws;

d) The minutes of the Owners' Assembly where the members of the Board of Directors were designated;

e) The information regarding the registration of each of the items mentioned above in the Public Records Office; and

f) A transcription of the relevant portion of the minutes of the Board of Directors where the Board of Directors agreed to grant the power of attorney.

Article 1018. The minutes of an Owners' Assembly related to the designation of the member of the Board and any attachments, must be protocolized by a notary with residence or jurisdiction in the municipality where the condominium is based and contain at least:

I. The instrument by which the Condominium Regime was established, mentioning the place and date, the notary that authorized it, the registration number of the instrument, the property affected, its location, and the details concerning the instrument's registration;

II. The Board of Director's authority under the Bylaws, besides those set forth in the law;

III. Any amendments to the Bylaws;

IV. Any such action taken must be noted in the registration of the Condominium Entity that is maintained in the Registry of Property.

The minutes taken will also be recorded in the proper condominium record books.

CHAPTER IV ABOUT THE ASSEMBLY

Article 1019. The Owners' Assembly is the supreme administrative body. Assemblies for simple or compound condominiums may be either ordinary or extraordinary

Article 1020. An ordinary Owners' Assembly will be convened at least once a year, during the first trimester and in this meeting the subjects or issues will be:

I. The general report for the Condominium Entity as to assets, services and its financial condition;

II. Election of the members of the Board of Directors and, when necessary, the creation of special committees;

III. Designation of the Administrator; and

IV. Approval of the budgets for income and expenses for the following year.

Article 1021. An extraordinary Owners' Assembly will be convened at any time to consider approval of any of the following issues:

I. A change in these Bylaws;

II. Carrying out works of a voluntary nature or improvements;

III. Changing or disposing of common assets;

- IV. Terminating the Condominium Regime;
- V. Incorporating new areas to the condominium regime or removing the existing areas;
- VI. Requesting a judge, to force the sale of an Owner's Private Unit;
- VII. Determining whether to reconstruct the building subject to the Condominium Regime;
and
- VIII. Any other item that concerns the Owners gathered in an assembly.

Article 1022. The Owners' Assemblies must be called by:

- I. The Administrator;
- II. The Board of Directors;
- III. The judge of the first instance of the civil branch with jurisdiction in the municipality where the condominium is located, at the request of a group of Owners holding at least one fifth of the condominium rights; or at the request of any Owner, when an Owners' Assembly has not taken place for more than a year.

Article 1023. To declare an ordinary Owners' Assembly legally convened on its first call, it is necessary that Owners representing at least fifty-one percent of the condominium rights participate.

If the before mentioned percentage is not present, a second call to the Owners must be made for a new Assembly, to be held in no less than seven days and no more than fifteen days, and this will new Owners' Assembly can take place with any Owners who can participate.

The decisions taken at an ordinary Owners' Assembly are valid when approved by the Owners holding a majority of the condominium rights participating in the assembly.

An Extraordinary Owners' Assembly can be held with any number of Owners participating, but the decisions taken at such an Owners' Assembly will only be valid when approved by Owners who represent seventy five percent of the condominium rights approve. This approval must be made either by a vote in an Owners' Assembly in which the Owner participates or by votes provided within the following thirty calendar days by Owners who did not participate in the Assembly and who explicitly acknowledge they know of the issues to be approved and they approve them.

Agreements taken in a legally convened Owners' Assembly are binding on Owners who did not participate in the Assembly, those who did not agree, and, as the case may be, whomever occupies an Individual Unit.

Anyone who did not attend an Owners' Assembly, arguing that he or she was never notified of said Assembly, can demand (in court) within thirty calendar days from the date of the Owners' Assembly, that the agreements taken and approved do not apply to him or her, as long as he or she did not take any action that implied his or her approval to the decisions being opposed, or the actions taken after making it know that the actions did not imply his or her approval. The judicial resolution of the claim will only affect the Owner(s) who filed the case.

Article 1024. The previous rules concerning Owners' Assemblies apply for both simple and compound condominiums.

Owners' Assemblies will be presided over by whomever the Owners that are participating designate, by a majority of votes, regardless of the percentage condominium rights held by the Owners. The Administrator can be designated to preside at the assembly.

Article 1025. The call letter for an Owners' Meeting must be signed by whomever called the meeting.

Assemblies must always take place in the city where the Condominium Entity is located, in a place that provides the greatest comfort and ease of access for the Owners; preferably in the Condominium Entity.

The call letter for an ordinary Owners' Assembly must be issued at least fifteen calendar days prior to the Assembly.

The call letter for an extraordinary Owners' Assembly must be issued at least twenty calendar days prior to the Assembly.

In each case the call letter must be posted in a visible place in the Condominium Building on the date that it is issued. Furthermore, the notice must be sent by registered mail, to Owners that require notice to their address registered with the Administrator. Mailing of correspondence must allow for the same advance notice as that required for calling the Owners' Assembly. Notices of delivery must be retained as proof of the mailing of notice in this manner.

Notice may also be sent via e-mail. When a call is formulated by the judicial authority or municipality, the call letter may simply be published with the same advance notice in one of the newspapers of general circulation in the State and in the official newspaper "The State of Jalisco" and, despite such published notice, a copy of the notice must be placed in a conspicuous place in the Condominium Entity.

The notice must indicate the date and time for which the assembly is called, the type of Owners' Assembly, the location of the meeting and the points to be considered.

Any matter considered at the meeting and not included in this notice of the Owners' Assembly will not have any legal force, unless approved Owners participating in the Owners' Assembly represent one hundred percent of the condominium interests.

ARTICLE 1025A. REMOTE ASSEMBLIES BY VIDEOCONFERENCE. Ordinary and Extraordinary Owners' Assemblies may also be held remotely (or a combination of remote and face-to-face), through the use of technological tools, such as videoconferences.

Such Assemblies for their validity must have the following elements:

- I. Full visual identification of participants at all times;
- II. Interaction and intercommunication, in real time, to promote the correct deliberation of ideas and issues;
- III. The votes that are carried out will be of a nominal nature, stating their registration; and
- IV. Creation of audiovisual evidence of the assembly and its agreements.

In these cases, the calls will also be made through the use of technological tools that allow a record of their submission.

The call to hold remote sessions, as well as the drafting and protocolization of the corresponding minutes, will be subject to the same rules that govern face-to-face sessions, as applicable.

All owners or occupants must provide the administrator with an email account to send them the call and the link for the videoconference.

The digital file containing the recording of the Assembly must be kept by the administration and must be available to all owners at all times.

CHAPTER V ABOUT THE FEES

Article 1026. The Owners must contribute to the expenses for maintenance and operation of the Condominium Entity, as well as to constitute and maintain a reserve fund, based on the percentage of condominium rights represented by their Private Units; but when a condominium is formed by different elements and includes several stairs, patios, gardens and elevator, lifts, antennas or other appliances that are for the exclusive use of one or several individual owners, the expenses generated by such elements will be at the cost and expense of those who directly and exclusively benefit from them.

When it is determined by an Owners' Assembly to perform improvements or other voluntary work, the basis for covering the costs of such work shall be determined at the same time.

Article 1028. The fees charged to condominiums must be prepaid within the first 10 days of each quarter, and, if not paid on time, the delinquent Owner must pay as a penalty a charge of 4% per month on the unpaid maintenance fees.

Article 1029. The statement of accounts issued to a delinquent Owner ninety days after a payment is due and unpaid, signed by the Administrator with approval of the President of the Board of Directors, is an enforceable document.

The statement of accounts mentioned above should clearly set forth the amount due and the origin of the debt, since the debts may be from lack of payment of fees or for other payments that are the responsibility of an Owner, including payment of damages such Owner may have caused.

The occupants or users of a Private Unit or Common Areas through any legal title, are jointly and severally responsible with the Owner of such Private Unit for the payment of ordinary and extraordinary fees that may be set, as well as any other responsibility that may result from the occupants or users' actions.

Article 1029 bis. All Owners are entitled to be issued a statement of accounts maintained by the Condominium Entity. When a contract is executed to transfer a Private Unit, the notary which prepares the documents, must require the Owner selling the Private Unit to deliver a statement, issued by the Administrator, that there are no outstanding debts owed to the Condominium Entity.

Article 1030. The financial obligations of the Condominium Entity will be paid from the funds the common assets and capital; if such assets are insufficient, the Owners, based on their percentage of ownership of condominium rights, must pay the difference proportionally.

CHAPTER VI ABOUT THE DISPUTES

Article 1031. When a dispute arises between Owners about the rights regarding the use of their Private Units and Common Areas, the dispute must be settled according to the following rules:

- I. Disputes between Owners must be submitted to arbitration by the Board of Directors, whose decision is binding;
- II. The Code of Civil Procedure of the State must be used in such proceedings; and
- III. Other disputes that may arise may be heard before the judge of the first instance of the place where Condominium Entity is located.

Article 1032. Any Owner that repeatedly fails to fulfill his or her obligations or that unjustifiably causes conflicts with other Owners may be sued by the Administrator before the judge of first instance of the place where the Condominium Entity is located, so that such Owner's condominium rights may be sold at public auction under the terms for auction sales that are set forth in the Code of Civil Procedure for the State.

The lawsuit must be accompanied by supporting documents: a copy of the registered Condominium Regime, any amendments to such document, a certificate of Public Registry of Property, a document issued by a notary reflecting the protocolized minutes of the extraordinary Owners' Assembly where the decision was taken to file such a lawsuit. In order to be valid, the decision must have been approved by more than half of the total number of Owners in the Condominium Entity. In the case of a compound condominium, it is sufficient that more than half of the Owners from the building that is seeking the exclusion of the Owner approve this action.

The judge will accept the lawsuit and will notify the defendant Owner, cautioning such Owner to designate an appraisal expert in the period permitted by law, advising such Owner that if an expert is not designated, the court will designate an expert. Once the expert appraiser renders an opinion, the date and time of the public auction will be set.

Any Owner(s) held liable, in any lawsuit filed pursuant to this article, for monetary damages resulting from the failure of such Owner(s) to pay maintenance fees or any other amount owed as an Owner, shall pay to La Cima III an additional penalty equal to thirty percent (30%) of the amount of such monetary damages.

Article 1033. If the person who does not comply with his or her obligations is not an Owner, he or she will be sued to vacate the Private Unit, by the Administrator, with the prior consent of the Owners. If Owner of the Private Unit is opposed to such eviction, action may be taken against both the Owner and occupant under the terms of the preceding section.

Chapter VII – About Transfers

Article 1034. In all cases of rental of Private Units or of other transfers of the rights to occupy or use a Private Unit, the Owner must notify the Board of Directors in advance through the Administrator in writing, by e-mail or by fax, of any such rental or transfer contract that has been entered into, providing copies of such contracts to the Administrator.

Such notice shall specify the arrival and departure dates for the occupants and/or tenants. In all such cases the Owner remains responsible for the payments and all other relevant obligations with respect to the Private Unit. The rental agreement must contain

the names of all parties allowed to reside within the unit. The Owner remains responsible for the occupants and/or tenants and that such occupants and/or tenants fulfill all obligations provided in these Bylaws and any Rules and Regulations.

The Owner must notify the occupants and/or tenants about such Bylaws and Rules and Regulations. The rental or transfer of use of any of the Private Units to people who may cause problems and risk for the security of the other Owners, shall be prohibited.

Rental agreements must be for a period of not less than thirty (30) days, and no rental agreement may be in effect for any Private Unit of any Owner during a period covered by any prior rental agreement. Family members of owners of private units may stay without limitation. Each rental agreement must limit the occupancy of any rented Private Unit to not more than two (2) individuals per bedroom in such unit, and a maximum of two additional children aged seventeen (17) years or younger. Any guest(s) of the tenants must vacate the premises by 11:00 p.m.

Each rental agreement must also specify that no Pets are allowed in the Private Unit during the rental period, and that the Administrator and staff of the Condominium Entity are not available to provide services to the occupants and/or tenants.

Each Owner renting his/her Private Unit must also designate a local representative as a contact in case of issues related to the use of the Private Unit.

The occupants and/or tenants are obligated to respect and obey these Bylaws and any Rules and Regulations in the same manner as Owners and will be required to acknowledge their receipt of our Bylaws and Rules and Regulations.

Each tenant will be required to furnish identification and provide contact information, including email addresses and phone numbers before being admitted. If the occupants and/or tenants fail to comply with the Bylaws and Rules and Regulations, they may be evicted and expelled from the Condominium Entity if deemed appropriate by the Board of Directors or, in urgent circumstances, by the Administrator.

PROHIBITION OF SUBLETTING

No Owner shall allow a tenant to lease, sublease, rent, or otherwise permit occupancy of their Unit or any portion thereof by any person(s) not a party to a lease agreement with the record owner of the unit. Subleasing or renting of any Unit other than by the record owner is strictly prohibited. Any attempt to sublet of a Unit in violation of this provision shall be null and void and shall constitute a material breach of the governing documents, subjecting the Owner to enforcement actions including fines, suspension of privileges, or legal remedies as provided herein.

CHAPTER VIII SANCTIONS

ARTICLE 1035. Apart from the sanctions mentioned in the previous articles, the following shall also apply:

I. An offense shall be defined as any failure to fulfill obligations under these Bylaws, any Rules and Regulations, or legitimately set forth by the Administrator, by the Board of Directors, or by an ordinary or extraordinary Owners Assembly. [L]
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II. The Administrator shall provide written notification to an Owner in residence or the individuals staying in such Owner's Private Unit who commit a violation of these Bylaws or the Rules and Regulations. Owners who are not in residence will be notified by telephone, FAX or email when the individuals staying in their unit and/or their employees are in violation. Such notices shall indicate which Bylaw or Rule or Regulation was violated and the date the violation(s) occurred.

III. The following timelines and monetary sanctions will apply:

Timelines - A party in violation of the Bylaws or Rules and Regulations Operating Policies and Procedures will receive written notification and shall have a maximum of twenty-four (24) hours to correct the infraction except that, in cases where the violation could cause harm or injury to the habitants of the Condominium Entity, the integrity of the buildings or Common Areas, the Administrator is authorized to take whatever immediate remedial action as may be deemed necessary to correct the infraction and remove the danger, including notifying the Police Department or the Civil Protection Department of the City Government.

Monetary Sanctions -

1. Violations, other than described in sub-paragraph 2, below, not corrected within the timeframe set forth in these Bylaws shall be subject to a sanction of One Hundred United States Dollars (\$100.00) or the equivalent in Mexican pesos. The sanction shall be for each day of violation. Sanctions under this sub-paragraph and sub-paragraph 2, below, will be charged to the maintenance account of the Owner retroactive to the date the Owner or occupant was given written notification of the violation. Owners are solely responsible for sanctions resulting from the acts of the occupants and/or tenants of their Private Units.

2. In the event an Owner shall violate Chapter VII – About Transfers, Article 1034 for the first time, he or she shall be charged a penalty equal to one Thousand United States Dollars (\$1,000.00) or the equivalent in Mexican pesos.

Any additional violation of Chapter VII – About Transfers, Article 1034 such Owner shall incur a penalty equal to two Thousand United States Dollars (\$2000.00) or the equivalent in Mexican pesos.

IV. Owners will be given written notification of the sanctions affecting them via certified mail with return receipt, email or FAX within twenty-one (21) calendar days of the application of the sanction.

V. If an addition or modification to the Bylaws or Rules and Regulations causes an Owner to be in violation of such documents, the Owner shall have one hundred-eighty (180) days to submit a request to the Board of Directors that the violation arising from such addition or modification be grandfathered. The one hundred-eighty (180) day period starts from the date the Owner is supplied, via personal delivery, FAX or e-mail, with minutes of the Owners Assembly where the Bylaw or Rules and Regulations changes were approved. The minutes do not need to be those legalized and registered in the Public Registry of Property and Commerce.

The Board of Directors shall have thirty (30) days from the date such request is received in order to determine whether to grandfather such violation. In the event such request is denied, the Owner shall be subject to the timelines set forth above within which to cure the violation, beginning on the date the decision of the Board of Directors is communicated to him or her, via personal delivery, FAX or e-mail.

VI. The application of monetary sanctions shall be understood not to preclude any retention of services and withdrawal of other Owner privileges instituted by the Administrator with previous approval of the Board of Directors for failure to pay assessments, monetary sanctions penalties and/or other charges, including, but not limited to, loss of access to the Common Area pool.

VII. Regardless of sanctions imposed, services withheld or loss of privileges, Owners who do not fulfill their obligations, commit offenses, violate the Bylaws and/or the Rules and Regulations, whether directly or through their occupants, shall be held responsible for the damages and the cost of the repairs caused to the rest of the Owners, the Common Areas and/or third parties.

CHAPTER IX – DESTRUCTION AND TERMINATION

ARTICLE 1036. If the building making up the Condominium Entity is completely destroyed or destroyed in a proportion that represents at least three-quarters (75%) of its value, any Owner can ask for the division of the common properties in accordance with provisions of the Jalisco Civil Code concerning co-ownership.

If the destruction is not as serious as described in the preceding paragraph, reconstruction must be resolved by means of an Extraordinary Owners Assembly. [SEP]

In the event a majority of the Owners vote, at an extraordinary Owners Assembly, to reconstruct the building, Owners who did not vote for reconstruction are obligated to contribute to the reconstruction in the proportion that corresponds to their condominium rights, or to sell their rights to those in the majority according to an expert valuation.

The previous rules must also be observed in the case of the bankruptcy of the Condominium Entity, or if the building becomes unusable or condemned.

CHAPTER X – ADDITIONAL RESOLUTIONS

ARTICLE 1037. In addition to these Bylaws, the Owners or the Association may establish, at any ordinary or Extraordinary Owners Assembly, a supplemental body of Rules and Regulations, which may include (1) obligations of Owners, renters, guests, servants and other persons on the Condominium Entity's property and premises, as well as (2) a schedule of fines or other sanctions for violations of the obligations in either these Bylaws or the supplemental Rules and Regulations.

ARTICLE 1038. Whenever necessary and expedient, the Board of Directors may also add provisions to such supplemental Rules and Regulations, which actions shall be subject to subsequent ratification, modification or rescission at the next possible ordinary or extraordinary Owners Assembly.

ARTICLE 1039. Changes to the Rules and Regulation shall require a 75% approval by vote of the Homeowners represented at an Owners Extraordinary Assembly.

ARTICLE 1040. In the event of disagreement regarding any and all matters pertaining to these Bylaws, the Owners or their representatives, as well as any occupant and/or tenant of a Private Unit, shall be subject to jurisdiction of the courts of the city of Puerto Vallarta, Jalisco, renouncing any claim to another jurisdiction that it may correspond due to their present or future domicile.