

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
Las Dunas de Santo Tomás
Municipality of Caborca,
Sonora, Mexico**

These CC&R's are adopted in the interest of ensuring ongoing quality of life, quiet enjoyment and stable property values within the Las Dunas subdivision. The CC&R's aim to promote a family-friendly community atmosphere. The CC&R's are administered by the Las Dunas Homeowners' Association, "Asociacion de Vecinos de Las Dunas de Santo Tomás".

Each property owner within the Las Dunas subdivision agrees to be bound by these CC&R's and to participate in the Homeowners' Association.

PERMITTED USES AND USE RESTRICTIONS

Las Dunas is a residential community and all uses of the property must be compatible with a residential community. Home businesses are welcomed and encouraged as long as the business activity is not disruptive to the community. Home businesses must not be detectable by smell, sight or sound from neighboring lots.

Temporary living quarters, temporary structures, trailers, RV's, etc.- Temporary living quarters such as construction trailers, house trailers, tents, RV's and temporary buildings are not permitted within the Las Dunas subdivision. Lot owners wishing to use an RV or house trailer as temporary quarters until their residence is constructed may utilize the beach club parking area for this purpose for up to two weeks at a time. Reservations for space will be on a first-come first-served basis.

Lot owners may store trailers and RV's at Las Dunas for extended periods of time in the guarded parking area just inside the Las Dunas entrance. Lot owners may request in advance that Las Dunas personnel move their trailer to the beach club parking area so that it is ready for them upon their arrival.

Absolutely no camping of any sort is permitted upon the lots, Federal Areas, beach and reserve areas within the Las Dunas subdivision. Lot owners wishing to camp on the beach or dunes shall utilize the designated camping area directly to the north of the fisherman camp located at the southern extent of the Santo Tomás land holdings.

Lot owners shall access the camping area by proceeding southwards along the eastern boundary of the Santo Tomás property on the public beach access road "Acceso Publico a la Playa" and cross the dunes on the hard packed dirt road. Off-road travel and camping are permitted in this area so long as it is not disruptive to plant or animal life. Fireworks and campfires are also permitted. All refuse shall be collected and removed or burned. No burial of trash or disposal at sea is permitted.

Off-road vehicles, ATV's and Dune Buggies- No vehicles of any sort shall be operated on the beach in front of the Las Dunas subdivision. Guests and Lot Owners desiring to operate vehicles on the beach shall utilize the Las Dunas boat ramp and head northward along the beach or shall utilize the Fisherman Camp road and head southward or northward to the limits of the Las Dunas Subdivision.

Vehicular travel within Las Dunas shall only be done on maintained public roadways and in accordance with posted speed limits. Vehicles shall be equipped with silencing devices such that the operation of the vehicle will not be audibly apparent from a distance of 100 meters. Absolutely no off-road travel upon lots,

reserve areas, dunes and federal areas is permitted. Violators will be first warned and then cited and fines shall accrue against the lot owner sponsoring or owning the cited vehicle.

Lot Maintenance- Each lot owner is responsible for the maintenance of his/her lot. Lot owners shall maintain their lot in a clean and sanitary condition. Garbage and refuse shall be placed in appropriate containers and removed by a service designated by the Asociacion. No burning of refuse is permitted.

Vehicle and Equipment Storage- Storage of equipment, motor vehicles, recreational vehicles, boats, construction materials and other items that is visible from outside the property is prohibited. Such items shall be stored within an enclosed garage or storage room. Vehicle repairs of more than 2 hour duration shall only be done within an enclosed garage. Long-term parking or storage of vehicles on public streets and right-of-ways is prohibited.

Bed & Breakfasts- The operation of a bed & breakfast is a permitted activity. The maximum number of bedroom units permitted for guest accommodations is four. Parking for clients and guests must be provided for on the property.

Animals and Pets- A reasonable number of generally recognized house pets may be maintained on the property. No commercial raising of animals is permitted.

ARCHITECTURAL RESTRICTIONS

Minimum Dwelling Size- The minimum dwelling size permitted on a lot is based upon the square feet under roof, consisting of both outdoor and indoor living areas. Carports and garages are not counted as living areas. Minimum dwelling sizes are 2,000 square feet for beach lots, 1700 square feet for second tier lots and 1300 square feet for the remainder of the subdivision.

Outbuildings- A maximum of one outbuilding is permitted per lot. Outbuildings shall adhere to all architectural requirements and height restrictions and may be a maximum of one story.

Maximum Building Height-	Beachfront-	One story (12 feet) above grade of road at midpoint of lot, multiple lower stories on beachside due to slope of dunes.
	Interior-	Two stories (22 feet) above grade of road at midpoint of lot, 3 stories maximum height.

Architectural Approval- All proposed construction shall be submitted to the Architectural Committee for review and approval. All construction proposals will be analyzed for conformance with architectural requirements. View studies from multiple angles will be conducted to ensure that buildings do not obstruct the views of other lots. Each building plan will be reviewed on a case-by-case basis to optimize overall views for all of the lots.

The Architectural Committee shall render a decision on the proposed project within 60 days or less. If the Committee fails to respond within 60 days, the project shall be considered approved.

Setbacks for vertical construction-	Sides-	4 meters
	Front-	7 meters
	Back-	8 meters to a neighboring lot or beach, 3 meters to a non-lot area.

Color and Architectural Scheme- Only earth tones and pastels shall be permitted with some color accents. All colors must be selected or be identical to approved body and accent pallets.

Fences and walls- Fences and walls up to 2 feet in height may be constructed up to the limit of the lot boundary. Fences greater than 2 feet in height may only be constructed with the approval of the architectural committee. Approval shall be based upon conformance with architectural requirements and view studies from affected neighboring lots.

Plants- All plants shall be desert or low water usage plants. View blocking plants are not permitted. In the event that a plant grows to a size that exceeds the permitted building setbacks or defeats the intentions of a documented view study, the plant shall be removed at the lot owners expense. Limited grass or turf ground cover is permitted.

Construction Materials- Masonry or similar, non-flammable materials shall be used for all roofs, floors and walls. Metallic panels and asphalt shingles are not permitted. Wooden trusses for floors, ceilings and roofs shall only be permitted by exception following the submission and approval of detailed plans for structural and fire integrity. Palapa roofs treated with fire retardant may be permitted by exception over patios and outbuildings upon review of flame sources and proximity to other palapa roofs.

Roofing Materials- Roofing materials shall be ceramic tile, concrete tile, clay tile or concrete. Wooden or asphalt roofing materials are prohibited.

Approved Building Contractors- All major construction within the subdivision shall only be done by an approved Las Dunas contractor. Currently, the only approved Las Dunas contractor is Grupo Constructor Santo Tomás S.A. de C.V. In the future, other contractors may be added to the approved list following an analysis of previous building projects and a review of the prospective contractor's performance with at least three customer references.

Building Safety and Quality Inspection- Due to the lack of municipal services for construction and building safety inspection, all construction conducted by lot owners and approved contractors other than Grupo Constructor Santo Tomás shall be subject to building inspection and review during the entire construction process by Grupo Constructor Santo Tomás civil engineers. Upon commencement of construction, detailed engineering drawings of the building project and a line item list of building specifications shall be provided to Grupo Constructor for comparison to the as-built project. Grupo Constructor Santo Tomás shall have the authority to immediately stop construction of any project that varies significantly from the specification list in regard to safety, structural integrity, fire protection, concrete quality, building size, height and location and in regard to environmental protection and labor law violations. Grupo Constructor shall receive a fee of 2% of the project cost for these inspection services, payable upon commencement of construction.

Exterior Lighting- No exterior lighting shall damage the nighttime view of a neighboring property or cast a beam upon a neighboring property. Exterior lighting fixtures shall be downward pointing, shielded and equipped with bulbs of 60 watts or less.

Antennas, Poles and Towers- All antennas must be situated in a manner that minimizes visibility from neighboring lots. Roof and pole mounted antennas with any dimension exceeding 2 feet are prohibited. Ground mounted antennas with any dimension exceeding 4 feet must be screened or situated so as to not be visible from outside of the property.

Heating and Air-conditioning and Solar Units- Whenever practical, heating and air conditioning units, solar collection panels and propane storage tanks shall be located at ground level and screened from the view of neighboring lots.

Exemptions and Variances- The Architectural Committee may grant variances and exemptions to the above requirements. Exemptions may only be granted with a two thirds or greater majority of the Committee votes.

Construction Time Table Limitations- Construction shall begin within one and one-half (1 1/2) years of the lot sale closing date, and shall be completed to an externally finished state within two (2) years of commencement of construction. In the case of multiple lot ownership, construction on each subsequent lot shall commence upon completion of the first lot and every two (2) years thereafter.

REMODELING

Any remodeling activities that result in a change of appearance that is visible from outside of the property must be approved in advance by the Architectural Committee.

Any owner intending such a change shall make application to the Architectural Committee in writing with a detailed description of the proposed project, its intended purposes and effects and the length of time for completion of the project. The Architectural Committee shall render a decision on the proposed project within 60 days or less. If the Committee fails to respond within 60 days, the project shall be considered approved.

ARCHITECTURAL COMMITTEE

The Architectural Committee shall be comprised of not less than two and not more than seven members. The members of the Committee shall be appointed/elected by the Homeowners' Association and shall serve for a term of two years.

MAINTENANCE OF COMMON AND FEDERAL AREAS

The Homeowner's association will be responsible for the maintenance and upkeep of common, natural reserve and federal areas including beach cleaning, road maintenance, road grading, security and landscaping.

MAINTENANCE FEES AND DUES- The Homeowners' Association shall establish reasonable maintenance fees which shall be charged to each lot on a monthly basis. In the event that a Lot Owner fails or refuses to pay these fees, a lien shall accrue against the subject property. After a period of two years of non-payment, the Homeowners' Association may commence an action against the subject property for collection of unpaid fees. The Lot Owner shall be responsible for all attorney and legal fees arising from such collection activity.

Adopted February 10, 2007
Asociacion de Vecinos de Las Dunas de Santo Tomás