

TIERRA VERDE
COVENANTS, CONDITIONS
AND RESTRICTIONS



**TIERRA VERDE
COVENANTS, CONDITIONS, AND RESTRICTIONS FOR TIERRA VERDE**

NOTE: THE OFFICIAL COVENANTS, CONDITIONS AND RESTRICTIONS OF THE PROJECT, WHICH SHALL BE FILED IN THE PUBLIC REGISTER, ARE IN SPANISH. THIS DOCUMENT IS AN ENGLISH TRANSLATION OF THE OFICIAL DOCUMENT REFERRED TO ABOVE. EVERY ATTEMPT HAS BEEN MADE TO PROVIDE AN ACCURATE TRANSLATION, BUT READERS SHOULD BE AWARE THAT ONLY THE SPANISH DOCUMENT IS OFFICIAL.

1)- GENERAL DISPOSITIONS: NAME AND APPLICATION FIELD.

1.1)- Name. The name of the project shall be "TIERRA VERDE, UVITA".

1.2)- Field of Application. The present CCR's shall be mandatory to each property owner, coowner, owner of real estate rights, lessees, resident, guest, invitee or visitor and, in general, to any occupant of the properties within the TIERRA VERDE.

2)- GENERAL PROPERTY AND BUILDINGS.

2.1)- Permitted uses.

a)- Properties and buildings are to be dedicated only for residential use.

b)- No commercial, services or industrial use is permitted in the Properties or in the buildings. Only one bed and breakfast will be permitted, service and recreational uses permitted in the TIERRA VERDE are those designated by the developer.

c)- House rentals are permitted subject to the following rules: **i)-** Rental is permitted only for residential or vocational/residential use. **ii)-** Any rental for any other use or purpose (including commercial, services or industrial uses or purposes) is prohibited.

2.2)- Construction Regulations.

a)- Facade And Exterior Design.

i) The exterior colors on the buildings must be "earth tones" and no exposed concrete is permitted.

ii)- All building and remodeling plans have to be submitted to approval by the Architectural Review Committee. All structures located apart from the main building, such as, but not limited to saunas, BBQ's, gazebos, greenhouses, spas, Jacuzzis must be within the property lines and must be compatible with the main building in terms of style, color and materials.

iii)- Lot landscaping must blend in with the surrounding environment.

iv)- Revetments, retaining walls and bulkheads must be designed and certified by an engineer.

v)- No tree, either healthy or diseased, with a trunk diameter of twenty or more centimeters as measured at a point one meter and twenty five centimeters above ground level may be cut or removed. Unless it poses a threat to lot owner. Any permitting needed in this case shall be up to the individual lot owner. (MINAE, Ect.)

vi)- All exteriors shall consist of all natural building materials, such as stone, brick, concrete or wood.

c)- Size regulations: Minimum Area, Construction Areas and Maximum Coverage.

i)- No more than two physically separate units will be allowed per lot, including a primary residence and the second unit being no larger than 35% of the size of the primary unit. This would include all guest houses and/or garages.

ii)-No type of construction shall be located within the lot's approved setbacks.

iii)- Roof overhangs shall not extend over the authorized setback line.

iv)- Any of the properties within TIERRA VERDE shall not be segregated in smaller lots; therefore, the property owners shall sell and transfer only the entire property.

d)- Setback Lines.

i)- Construction setbacks must be at least three meters.

ii)- Should there be any trees within the setback lines of the property, their removal must be prevented unless unavoidable due to topographic reasons or to the shape of the affiliated property.

iii)- Setback includes all septic tanks and corresponding leach fields.

e)- Height regulations.

i)- The maximum construction height for buildings is nine meters from the average finished first floor level (elevated no more than 20 cm above natural terrain) to the highest peak of the roof.

f)- Location of Constructions.

i)- To assure the protection of panoramic views and special topographic conditions of the neighboring properties.

ii)- The location of constructions must imply the least possible disturbance to the natural

conditions of the surrounding environment and must be staggered from other dwellings on the adjoining property.

2.3)- Fencing/walls

Property line wall/ fencing not to exceed 6'-0" in height (8'-0" for exterior property lines).

2.4)- Sewage.

a)- Each building must have its own septic system to treat sewage. The corresponding system will have to be designed in a way that it does not affect the environment nor produce any odors or effluents that may affect the environment, the adjacent Properties or any type of water streams (whether permanent or seasonal). The septic system must meet or exceed SETENA requirements.

2.5)- Drainage

a)- Drainage, for septic systems, roof gutters and all pluvial waters, must be designed and built in such a way that they minimize runoff consequences, do not affect the environment or alter the natural onsite flow, the adjacent Properties or any type of water streams (whether permanent or seasonal), nor produce any odors or effluents that may affect the environment, the adjacent Properties or any type of water streams (whether permanent or seasonal).

2.6)- Disruption of natural habitat

a)- All construction, buildings, landscaping and in general all work within the property must be designed, built and maintained in such a way to cause the minimum possible disruption of the environment and nature.

2.7)- Building procedure rules.

a)- Approval by the Architectural Review Committee.

i)- No construction or remodeling or any sort of structure or building (from here on denominated as improvements) shall be commenced without first being submitted to and approved by the Architectural Review Committee, as to harmony of exterior design and location of the structure or building in relation to surrounding structures, topography and natural surroundings.

b)- Building materials and structures.

i)- All building materials and workmanship shall be first class.

ii)- Building materials should reflect a low environmental impact. Careful

consideration shall be given to the selection of materials that are made of recycled materials, can be recycled, and/or are produced without waste of energy or resources. Special attention should be given to selecting paints, adhesives and other building components that do not produce significant off-gassing.

iii)- Exterior Walls should be finished in paint, textured plaster, stucco, tile, stone or other materials resistant to humidity. Fabric or vinyl wall coverings are not allowed.

c)- Building process.

i)- Prior to start of any constructions or remodeling, the corresponding approval must be obtained for the Building Permits and for all legal obligations as per Costa Rican laws.

ii)- Permitted building hours are from six in the morning thru five in the afternoon.

iii)- Noise control. Noise levels during the building process must be kept to the minimum possible. The Property Owner shall take the corresponding measures to minimize the level of noise.

iv)- Dust and emissions control. No dust or emission should be produced that may directly affect the neighboring Properties or the environment. Dust and emission should be kept to the minimum level possible and the corresponding measures will be taken for those effects. The Property Owner shall take the corresponding measures to minimize the level of dust and emissions.

v)- All trash and debris produced during the construction process must be promptly and properly disposed of. DURING CONSRUCTION NO BURNING OF NON BIODIEGRADED MATERIALS. Weekly construction clean up is expected.

vi)- Building materials shall be stored on the building site. Materials shall be secured in such a manner as to resist movement from wind. A temporary building materials storage building shall be permitted during the period of construction or renovation.

vii)- Truck and building vehicles circulation will be allowed only during permitted building hours.

viii)- No parking of trucks or vehicles or storage of building materials will be permitted in the Internal Roads.

ix)- In the design process as well as in the building process, preventive measures shall be taken to minimize erosion and for silt control. Proper cover materials and restraining structures shall be used to avoid the start of any erosion or silt runoff or accumulation during the construction process.

x)- All building of structures commenced shall be diligently constructed to full

completion within a one year time frame.

d)- Liabilities.

i)- Property owner shall be liable for any damage and harm caused to third properties or persons during the building process, or as a consequence of the building process.

e)- Impact fee.

i)- An impact fee shall be charged for the construction of any improvement, which shall be payable to the maintenance of the Internal Roads (or any other affected roads) and any other Common Areas affected by the construction process.

ii)- The fee shall be equivalent to USD\$.50 cents per square foot of construction area (driveways and parking areas excluded). The fees shall be paid to the developer.

3)- COMMON GROUNDS AND SERVICES.

3.1)- Definition.

a)- TIERRA VERDE Landowners will have full privileges to all common grounds, and services.

b) The following are considered common grounds, goods and services:

i)- Storm-water drainage areas

ii)- Waste Collection

iii)- Main installations and premises of central services such as electricity, water, water pumps, and wells.

iv)- Common recreational areas for residents and guests.

v)- Green areas, walking trails, and other featured open spaces.

vi)- In addition to the above mentioned common areas, other common spaces include those areas that are necessary for the existence, operation, safety, health, conservation, access, cleanliness and decoration of the land, internal access roads and other installations related to water, fences, and any other structure indicated in the plans and considered to be common areas according to the Regulating Law on Property and other applicable legislation.

c)- The Landowners, guests and any person inside TIERRA VERDE has to use the common areas and services in a reasonable way. It shall not be allowed to infringe upon.

d)- Internal Roads.

i)- Internal roads of the project are provided by Developer for all lots. Driveways are not to be considered part of the internal roads system nor a Common Area.

ii)- Internal roads are provided by Developer with a crushed rock road surface.

iii)- Lots of the TIERRA VERDE will bear the corresponding easements needed for the placement, operation and maintenance of the Internal Roads of the project, as per the design provided by Developer.

iv). Speed on internal roads is restricted to 20 mph.

e)- Water system

i)- A general water system for the project, which will serve all lots, is provided by the Developer.

ii)- Developer supplies a system which is composed of: a)- a well that will supply the system; b)- the corresponding delivery system (pipes, regulation valves and taps) for each of the lots, with a ½ inch water line arriving to the property line of each lot.

iii)- Lots of the TIERRA VERDE Project will bear the corresponding easements needed for the placement, operation and maintenance of the water system of the project, as per the design provided by Developer.

iv)- The Developer shall provide potable water distribution services, either directly or as a sub-contractor.

v)- If a Landowner fails to comply with the duty to pay the water distribution service, which will be equal or less than the cost of similar services from the local water commission, the Administrator and the company that provides the potable water distribution service may exercise all legal remedies, including but not limited to, suspension of the water service to the Landowner in default in accordance with Costa Rican law, to require compliance with the duty to pay.

f)- Electric power system

i)- Developer will provide electrical service to all lots. Electrical service will be compatible with the standards of the Costa Rican Electricity Institute (ICE).

ii)- Lots of the TIERRA VERDE Project will bear the corresponding easements needed for the placement, operation and maintenance of the electrical system (as well as any other line utilities systems, such as cable and telephone lines) of the project, as per the design provided by Developer.

iii)- The installation of solar system is permitted within the lots. The placement

of the solar system has to be made in a manner that they do not obstruct the view from other lots as much as possible.

iv)- All internal lot services to be properly installed underground by the lot owner.

3.2)- Assessments.

a)- Common Expenses

Common expenses include, but are not limited to, the following: (i) National or municipal taxes and fees that affect the common property. (ii) Expenses due to maintenance of the common areas of the community. (iii) Expenses due to maintenance of special services in the common areas of the community, such as but not limited to water, telephone services, and electricity consumption for common services. (iv) Costs of renovations, repairs and/or improvements made in the

Community or in its common areas, well as any other work demanded by competent public authorities. (v) Reforestation efforts.

b)- Obligation of payment. Determination, approval and usage of assessments.

i)- No Property Owner may waive or otherwise escape liability for assessments provided for herein by non-use of the Common Areas.

ii)- Notwithstanding anything to the contrary herein, where a holder of a mortgage of record on a Property obtains title to the Lot as a result of a foreclosure of the mortgage, or as a result of a deed or other arrangements in lieu of foreclosure of a mortgage of record, such acquirer of the title shall be liable for the share of common expenses or assessments by the Association pertaining to such Property applicable to the time prior to the acquisition of title. Not unless such share is secured by a Claim of Lien for assessments that is recorder prior to the recording of the foreclosed mortgage. Such unpaid share of common assessments shall be deemed to be common expenses, collectible from all of the Property Owners, including such acquirer.

iii)- No other sale or transfer shall relieve any Property Owner from liability for any assessments due, nor from the lien of any such subsequent assessment.

3.3)- Construction of common areas.

a)- Developer will proceed to construct the aforesaid common areas. Once construction is finished, Developer will notify each of the Property Owners about the completion of the work.

4)- OTHER SUBJECTS.

4.1)- Trailers and vehicles

a)- Vehicles not in operational condition, or any part of it, can not be stored or permitted to remain upon the Property in public view for any period in excess of two weeks.

b)- The Landowners shall not be allowed to park vehicles in spaces not destined for such purpose. In addition, to park commercial vehicles to be understood as all vehicles over four wheels, vehicles on which commercial equipment is mounted as well as any vehicle bearing signs referring to any commercial activity, equipment, boats, trailers or any kind of recreational vehicle in any place in common or private area of the community except on owner property where the vehicle shall not be visible.

c)- The Law on Transit over Public Ways which shall be mandatory, as applicable by analogy, for the owners and any resident or guest of the community. No motorized vehicles may be driven by persons under 16 years. No motorized vehicles may be used on the Nature Trails or other common parts not intended as internal roads.

4.2)- Antennas

a)- No antennas of any type will be permitted within the lots, exception made of antennas for the reception of satellite television with a maximum diameter of one hundred and ten centimeters (or similar to the standard Direct TV type antenna). The placement of the antenna has to be made so as to shield it from the view from other lots as much as possible.

4.3)- Exterior lighting

a)- Exterior lighting shall be positioned in such a manner so as to be downcast and/or screened from the view of neighboring properties. No flashing lights or neon lights shall be permitted. For security reasons, lights that turn on for short periods of time and immediately turn off can be placed, as long as they are not directed towards other properties. Emergency generators shall be permitted; but shall be screened from view and acoustically isolated from adjacent properties.

4.4)- Plants and trees

a)- Each property owner shall keep neatly trimmed, properly cultivated and free from trash, and other unsightly material. Plants and trees planted within the property should not be of any kind that grows in a way that they obstruct the views from other property. Any planted trees or plants should be trimmed to minimize obstruction of views from other properties.

b)- The Landowners are not allowed to modify in any way the landscaping in the common areas or easements in the community or in front of their properties.

c)- Landowners are allowed to have plants of any type in their interior gardens as long as the plant height and root structure poses no unreasonable interference of view to other buildings nor unreasonably invade or soil neighboring properties.

d)- Landowners are allowed to plant fruit or ornamental trees on their property preventing, as much as possible, its foliage from invading neighboring properties.

4.5)- Animals

a)- Only domestic pets will be permitted in the lots, including only dogs, cats, birds, or small encaged animals as long as these are not raised or bred for commercial purposes and are not considered a nuisance or danger to the rest of Property Owners. Other animals that behave as wild animals or are noxious or threatening to humans are not permitted in any area of the community. Any pet that annoys, disturbs or is a nuisance to the rest of the community or authorized dwellers is considered noxious.

b)- Domestic pets will be kept in such a way that they do not cause any sonic or odor and so that they do not roam through other properties or in common areas.

c)- Landowners must keep their pets inside their properties. Domestic pets must never be allowed to run loose in the lots unless they walk with their owners who must always keep them under control.

d)- Every property owner is responsible and has the obligation to clean and collect any droppings left by his, his guests' or others' pets in any area of the project.

4.6)- Trash

a)- No above ground, uncontrolled burning of any type (with the exception of barbecues) is permitted. No throwing, dumping, burning or burial of trash or solid wastes is permitted. Trash or solid wastes should be bagged or contained, screened from public view, protected from disturbance and disposed of with reasonable promptness through the corresponding trash disposal service hired by the lot owner. Properties are to be kept free of any trash, debris or refuse of any kind, whether the lot is vacant or improved.

b)- Trash must always be discarded into adequate bins or containers, but first placed in plastic bags. Trash Cans must be removed from the road the same day as service is provided.

c)- The Landowners shall not be allowed: i) to throw liquids and objects outside the affiliated lot. ii) To place materials, merchandise, furniture and/or objects in the affiliated property and in common areas of the properties, jeopardizing the appearance, cleanliness and/or decoration of the properties or causing damage or disturbance to other users, or to obstruct or interfere with the use of said areas. iii) In general, to discard garbage or waste in ways other than stipulated.

4.7)- Effluents

a)- No toxic, odorous or dangerous effluents can be generated within the property.

b)- Car washing is permitted within the property provided that the corresponding effluents are taken care of in such a way that no pollution or affection is caused to the environment, the adjacent properties or any type of water streams (whether permanent or seasonal). The Landowners shall not be allowed to use common areas to wash/clean cars, furniture or any other object.

4.8)- Noises

a)- The following actions or activities are prohibited: i) to produce or allow disturbances and/or noises that jeopardize the community's peaceful environment. ii) Parties in common areas are not allowed.

iii) To call any dwellers or guards attention by honking the horn or using it unnecessarily. iv) In general, to produce any noise that might affect or bother other property owners.

4.9)- Water use

a)- In all cases and instances, water must be used in a justified, sensible and efficient way. Unjustified abuse of the water resource is not to be permitted.

b)- Replacement of pool water will only be permitted periodically, when technically justified or in extraordinary cases.

c)- Home site construction is to include the installation of an adequate water holding tank and pressure pump system.

4.10)- Tree cutting.

a)- Removal of trees over 20 cm in diameter is not allow under Costa Rica Law without proper permits.

4.11)- Hunting and trapping

a)- Hunting or trapping, of any kind, is prohibited.

4.12)- Storage of goods

a)- Storage of chemicals, fuels (over 50 gallons), or any other toxic or dangerous substances is prohibited.

4.13)- Fire prevention.

a)- Property Owners shall maintain their property in such manner as to minimize winddriven wild fire hazards during the dry season. Outdoor ovens, fireplaces and barbecues should be designed to minimize fire hazards as well. Open outdoor fire pits are discouraged.

4.14)- Mining, drilling and quarrying.

a)- No mining, quarrying, tunneling, excavating or drilling for substances within the earth shall be permitted within the limits of the Properties. The only exceptions shall be the properly authorized excavations required for the construction.

4.15)- Community Trust.

a)- TIERRA VERDE is designed to be an integrated part of the local community. To assist that goal a voluntary donation collected annually will support a trust that seeks to provide financial and educational support to local ventures, resident, and entrepreneurs, including a contribution from the reserve fund when available.

5.1)- Architectural Review Committee.

a)- The purpose of the Architectural Review Committee is to maintain consistency of architectural standards throughout the properties and thereby preserve the aesthetic and economic value of the properties. It is in charge of approvals for the design and building plans of any improvements to be constructed in any of the Properties as per the rules indicated in these CCR's. To assure that the Community as a whole be exclusively intended for residential purposes, the only allowed constructions in each of the affiliated properties shall necessarily be dwelling units whose plans, construction works and additions and alterations work are necessarily approved, without exception, by the Architectural Review Committee.

b)- All documents, plans and specifications approved by the Architectural Review Committee are not approved for engineering, design or architectural competence.

c)- The construction of any structure that is carried out and violates the Regulations and common legislation does not generate liability for the Committee or its members.

6.1)- Homeowners Association (HOA).

a)A Homeowners Association can be formed by all of the property owners, whereas each property will have the right to a vote, including the properties owned by the Developer. The rights and obligations of the property owner in the Homeowners Association shall not be assigned, transferred, conveyed or alienated in any way except upon transfer of ownership to a new owner's property. The vote for each property must be cast as a unit and fractional votes shall not be allowed. If a property is owned by more than one person or entity, a representative or agent shall be appointed to vote on the matters in question in the respective meeting.

7)- OTHER PROVISIONS

7.1)- Arbitration.

a)- Any and all disputes, claims, or controversies arising out of the CCR's or any transaction contemplated hereby shall be resolved by arbitration in accordance with the bylaws of the International Center for Conciliation and Arbitration of the American-Costa Rican Chamber of Commerce ("CICA"). Property owners shall submit voluntarily

and unconditionally to its rules and bylaws and claim knowledge thereof. The laws of Costa Rica shall govern any conflict. The arbitration shall take place at the offices of the CICA in San José, Republic of Costa Rica. An arbitration tribunal of three arbitrators shall decide the matters subject to the arbitration procedure. The award rendered pursuant to such arbitration shall be in writing, shall be final, binding and conclusive between the parties and the parties shall comply with the decision of the arbitrators without delay. Costs related to the arbitration procedure shall be borne by the parties in equal proportion, unless the arbitration tribunal decides otherwise.

7.2)- Modification of the CCR's.

a)- These CCR's may only be modified by agreement of the unanimous vote of the property owners of TIERRA VERDE.

7.3)- Indivisibility.

a)- If any part of these CCR's should be found to be void or illegal, it shall be deemed as not having been agreed upon, but the legality and validity of the rest of these CCR's, and the rest of the articles, shall not be affected by such omission.

7.4)- Provisional Rules.

a)- Until 50% of the lots of the TIERRA VERDE are sold, all assessments shall be determined and calculated by the Developer on an actual cost basis.

b)- Until 50% of the lots of the TIERRA VERDE are sold all assessments shall be approved by the Developer.

c)- At time of purchase of a Property, each Property Owner will agree to the CCR's of the TIERRA VERDE, as per the contents they may have at that time, and will accept to pay the assessments herein mentioned, as well as all of the obligations herein contained.
