



DEVELOPMENT AND BUILDING REGULATIONS

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INMOBILIARIA ROLLING HILLS S.A. DE C.V. DEVELOPMENT AND BUILDING REGULATIONS

In accordance with INMOBILIARIA ROLLING HILLS S.A. DE C.V. By-Laws, the Development and Building Regulations are based on the general urban planning criteria which have inspired the "INMOBILIARIA ROLLING HILLS" development and on the desire to preserve the singular beauty of the site and to encourage an integrated environmental design, in addition to achieving the mutual protection of the interests of both the present and future residents.

I. DEFINITIONS AND GENERAL GUIDELINES

A. DEFINITIONS

"Floor Space Ratio" - Means the ratio of property size (m²) to the total amount of all constructed area (m²) of all floors combined.

"Commercial" - Means occupied with, or engaged in an activity or enterprise for the purpose of generating personal, professional, or business income, but does not include a home office without employees.

"Condominium Property" - Means a lot or lots, which are zoned to be for multi-family use as per the DEVELOPERS approval.

"Developer" - Inmobiliaria Rolling Hills S.A. de C.V. as represented by its Legal Representative/ Project Director.

"Construction" - Means the physical alteration of existing conditions to property and/or improvements to a lot by an Owner or outside forces, but does not include landscaping, refurbishing and changes to interior spaces, if in compliance with approved uses and the intent of the Development and Building Regulations.

"Empty Lot" - Means a property without any man-made improvements to its natural state of topography.

"Fence" - Means a structure for the purpose of separating one property from another.

"I.R.H." - Inmobiliaria Rolling Hills S.A. de C.V., which is the legal name of Rolling Hills Estates.



“R.H.E.” – Rolling Hills Estates Development

“Bylaws” - Means the official document adopted by the Developer for the administration and conduct in reference to Rolling Hills Estates Residents.

“Lot Line” - Means the boundary of a lot or lots as shown on the official Inmobiliaria Rolling Hills subdivision plan and legally registered.

“Main Road” or “Mean Road”- Means the road carrying the most traffic as determined by I.R.H.

“Merged Properties” - Means two or more properties which have legally been fused to become one lot.

“Occupancy”- Means taking possession and allowing an Owner/Renter to occupy the building for the purpose of domicile after all conditions have been met and is so certified by the Municipality and I.R.H.

“Natural Terrain” - Means the undisturbed topography of a lot in its natural state without any fill or excavation.

“Pergola” - Means a structure, attached or free standing, open on all sides with a light transmitting cover to provide shading, but does not include “palapas” with a solid roof.

“Remodeling” - Means to alter a previously constructed approved structure, but does not include interior re-finishing.

“Retaining Wall” - Means a structure having a different ground elevation on both of its sides.

“Service Contract” - Means the Agreement between the Association and an Owner to comply with all pertinent Bylaws, Regulations, Orders and Guidelines of conduct in effect at the time.

“Setback” - Means the horizontal distance that a building or structure must be from a specified lot line.

“Single Family Dwelling” - Means a residence suitable for one family containing only one kitchen facility, but may include maid quarters of a specified maximum size consisting of one room and bathroom.



“Site coverage” - Means the horizontal area at grade of those portions of a lot that are covered by buildings and structures exclusive of perimeter structures, such as walls or fences not exceeding 2.0m in height.

“Start of Construction” - Means the date and time when the physical alteration and/or improvements commence by an Owner or outside forces, but does not include preliminary exploratory work to assess options for the alteration of existing conditions and improvements to property or existing structures.

“Structure” - Means a construction, or portion thereof, of any kind that is fixed to, supported by or sunk into land but excludes landscaping or paving at ground level.

“Subterranean” - Means a structure below the natural terrain.

“Term of Construction” – Means the time allotted by the municipality to complete the construction project before another Building Permit is required. I.R.H. gives the Owner 90 days from the date the I.R.H. approved the plans for the Owner to obtain the Municipal Building Permit. If the Owner doesn't obtain his Building Permit within this time then he must resubmit his plans to I.R.H. for re-approval. The Owner has 2 years from the date of the original Municipal Building Permit on NEW construction and 1 year on a Remodel to complete construction in order to receive their Construction Deposit back. If construction is not completed within this time, then the construction deposit is not returned.

“Termination of Construction” – A document that the Owner requests from the municipality stating that the construction is complete. I.R.H. also must complete Inspection number 3. The house cannot be occupied before receiving both the inspection report and this document.

“Zero Elevation Point” - Means the point established by I.R.H. at street level from which all height measurements are taken.

B. GENERAL GUIDELINES

ART 1 The DEVELOPER enforces the building regulations which are obligatory for any Owner of any lot within ROLLING HILLS ESTATES.



ART 2 The ROLLING HILLS ESTATES Development and Building Regulations must be seen as an addendum to the Los Cabos and State Building Regulations and Los Cabos Urban planning regulations. The individual, individuals, or corporations who desire to take any action that is described in the following list requires the written approval of the Developer.

1. Merging of properties.
2. New Construction.
3. Structural, aesthetic, volumetric, or other external changes to existing properties.
4. Construction changes that imply the change of a single-family dwelling.
5. Any changes to the exterior of the building affecting form or color.
6. Subterranean constructions.
7. Roofs, pergolas, canvas, or palapas in open space.
8. Signs and posters.
9. Changes to the natural terrain of the property.
10. Construction or modification of fences or retaining walls.
11. Planting of vegetation, which may obstruct the views of neighbors.
12. Cisterns, reservoirs, swimming pools and treatment plants.
13. Modifications or additions to already approved plans.

ART 3 Rolling Hills Estates is zoned a residential development; therefore, only plans for single family residences may be applied for and approved. Multiple dwellings can be developed on condominium lots registered on the Master Plan of Rolling Hills Estates. Condominium or multiple dwelling plans must comply with the Rolling Hills Estates Development and Building Regulations and submitted for review and approval. Developers of commercial lots within Rolling Hills Estates must submit plans for review and approval.

ART 4 Modification of any residence in Rolling Hills Estates with the intent to convert it into a multiple family dwelling, into commercial use, or creating a self-sufficient unit inside a residential dwelling is prohibited, and subject to the fines provided hereunder and to civil prosecution.

ART 5 Any Architect or Builder interested in architectural design or construction of projects within Rolling Hills Estates, must register with the Developer to be included in the Rolling Hills Estates Professional Index.



Requirements for Architects:

- * A copy of his (her) Federal, and State Registration.

Requirements for Builders:

- * A copy of his (her) Federal, State, and County Registration.

ART 6 Owners must select a Licensed Architect and Builder who is registered in the Rolling Hills Estates Professional Index.

ART 7 Owners, Architects, Builders, and Sub-contractors are responsible for observing all Rolling Hills Estates Development and Building Regulations and Bylaws.

ART 8 Prior to commencing construction, or modifying any existing buildings, the Owner, Architect, or Builder must obtain written approval from the Rolling Hills Estates. Architects, Builders and Owners are jointly responsible for any violation of these regulations.

ART 8a All wood construction is prohibited on exteriors. Where wooden structural elements are required; it will be approved as long as is only for interior use and has been structurally calculated by a licensed engineer (This doesn't apply to pergolas or palapas).

ART 8b It is prohibited for the Owner, Builder, DRO or legal representative to go behind the back of the Rolling Hills Estates and meet with the Dept. of Urban Planning in order to circumvent our regulations. In the event that this occurs, Rolling Hills Estates has the right to fine the Owner up to \$ 1,000.00 usd. If this occurs during a construction project, the fine must be paid in full first before resuming construction. It cannot come from the construction deposit.



II

APPLICATION FOR CONSTRUCTION OR REMODELING

It is the responsibility of the Owner, Architect and/or Builder, DRO, Sub-contractors or the Legal Representative to read, understand and to follow R.H.E. Development, Building Regulations, and our Bylaws.

The Owner must submit the R.H.E. Construction Application, in duplicate along with a stamped registered copy of their Escritura or Fideicomiso showing them as the lawful owners, to the Rolling Hills Estates Office. A Promise to Trust, Land Contracts, or Purchase Agreements will be acceptable.

The application must be accompanied with four (4) copies of the proposed construction plans signed by the Owner, the Architect, and, if requested, the Builder engaged to construct the building. A design orientation meeting with R.H.E. may be required. A discussion of what is required and expected from the Owner, Architect and/or Builder will take place during this meeting. Additions or substantial changes planned to an existing residence are subject to a review if the existing conditions conform to the present Development and Building Regulations. Prior to the approval of the changes R.H.E. will request that existing conditions be rectified to conform.

Any previously approved plans that have expired must be resubmitted under the current building regulations.

The Owner has 90 days from the date of R.H.E. approval of the plans to obtain the municipal building permit. After 90 days the plans must be resubmitted to the R.H.E. for approval. If the building regulations have been changed or updated, the R.H.E. reserves the right to enforce the new regulations



A. ARCHITECTURAL PLAN APPROVAL PROCEDURE

1. Final Plans Submittal Requirements

Reviewed By Date

1st Submittal Review (\$500 USD per review)

1. Submit R.H.E. Construction Application
2. Pay the Construction Deposit, fees, and assessments.
3. Pay any outstanding MF/PT, fees, fines, assessments, etc.
4. Verify deposit.
5. Submit Plans for approval.
6. Submit Ecology Permit, Sanitary and lot clearing.
7. Submit the first 5 pages of your Fideicomiso or Escritura to Confirm that Owner is listed on title.
8. Submit signed Bylaws.
9. Submit signed Building Regulations.
10. Submit 4 sets of full-size plans, 91cm x 61cm with current Topo, Site Plan w/setbacks, Area Calculations, Accurate Scale, Elevations, Sections with Natural Terrain, Facades and 3D Renderings (Recommended), Structural, Plumbing, Electrical and Sanitary.
11. R.H.E. will review plans for compliance and completeness. If plans comply and are approved, R.H.E. will stamp the plans APPROVED FOR CONSTRUCTION.

If the plans are not approved, R.H.E. will notify the Owner and Architect in writing what changes need to be made for approval. The required changes will have to be made and the submittal process will start over with another \$200.00 USD.



2. Municipal Plan Approval

Reviewed By Date

A. Submit Plans to Obras Publicas for Approval.

1. Submit 4 sets of R.H.E. approved and stamped plans for Municipal approval.
2. Pay required fees.
3. Upon Municipal approval, return 1 officially stamped and signed set to R.H.E. office for our records.
4. Submit final drawings on a CD for our records.

3. Requirements needed before the start of any site work or construction.

SEE ART 15

ART 9 All projects must have an official survey done before approval of the plans. This will include the limits of the lot as provided by Deslinde Catastral. In addition, the Owner is responsible for having topographical survey by a licensed surveyor in its natural state prior to construction. Copy of both surveys will be given to R.H.E. Pictures of the lot and surrounding area will be photographed in its natural state, prior to any demolition or construction activity on the lot and provided to R.H.E.

RHE, will not be responsible for the accuracy of any surveys. The Owner, Builder or Legal Representative must mark the lot lines and the building or house lines on the lot before construction commences.

ART 10 In cases where the present regulations make it impossible to comply due to the profile and /or the topography of the lot, the streets surrounding the property or any other situations that do not fit the Regulations or their intent, the Owners and/or Architect MUST apply for Variance prior to submitting designs to receive permission to deviate from the normal requirements. Note, that R.H.E. will not consider variances for "convenience", "view issues" or the lack of willingness to change the design

Following the application, a design orientation meeting may be held to review the items, which, may include:

1. The lot setbacks, height restrictions, and resolution if a special easement is applied for.



2. In situations where deviations are involved, the property Owner may be required to erect string lines representing the building footprint, heights, and setbacks of the construction. Such string lines shall be erected and left standing for a maximum of thirty days, in order for effected neighbors to express an opinion of the deviation to R.H.E. R.H.E. shall attempt to mediate any conflict and will make the final decision prior to issuing final approval of the project.

ART 11 Prior to the approval of the plans, the Owner will sign a current copy of the R.H.E. Service Contract and a copy of the R.H.E. Development and Building Regulations. At this time, all past due and present annual dues must be paid in full. Upon submitting plans for approval, the prescribed Construction Fees, Deposits, Fines and Assessments must be paid in full to R.H.E., as stated in Section III of this document.

ART 12 The conceptual plans must be presented on blueprints to the scale of 1:100, 1:50, or 1:75 respectively and shall include:

1. Site plan with property and building dimensions, showing mandatory setbacks and buildable area limits (1:100, 1:50, or 1:75)
2. Floor plan (1:50 or 1:75)
3. Roof plan (1:50 or 1:75)
4. Facades and side views indicating the building height reference elevation, the street levels, and the original levels of the land, as well as their relationship to the neighboring lots and structures (1:50 or 1:75)
5. Sections (1:50 or 1:75) with the topography profile of the lot.
6. Location of the Sewage treatment plant according to local and/or Municipal regulations.
7. Location of the mandatory water cistern.
8. Professionally prepared topographical survey of the lot (1:100)
9. Lot drainage plan showing impact of pluvial water on adjacent properties.
10. Location of covered and gated trash enclosure.
11. Location of all exterior structures, exterior appliances, generator, propane tanks, and satellite dishes. All such equipment must be enclosed or placed out of view (1:100)
12. Site Coverage and Floor Space Ratio Calculation



ART 13 R.H.E. will review the submitted material and will advise the Owner of approval or rejection. R.H.E. may issue preliminary approval of conceptual drawings once the project conforms to regulations.

ART 14 The Owner shall present four (4) sets of construction drawings. The Builder will deliver the plans stamped by the Municipality and a copy of the Construction license to R.H.E.

The approval obtained from R.H.E. does not in any way permit the construction to begin. Any modifications made to the plans after their approval MUST be resubmitted to R.H.E. for approval before any changes can be made and will be subject to additional review fees.

ART 15 **Prior to the start of site work or construction, the following items must comply with and be submitted to R.H.E. office:**

1. Final approval of drawings and documentation by R.H.E.
2. Copy of R.H.E. Building Regulations signed by Owner.
3. Building license issued by the Municipal Authorities.
4. Delivery and installation of approved sanitation facility for onsite construction workers.
5. In case of lot clearing, Owner must submit a plan to the Department of Ecology and obtain a permit. Copy of permit must be given to R.H.E.
6. Payment of Annual lot dues, Construction fees, Construction deposit, Electrical Assessment, Road Maintenance Assessment, and any other fees that may have been assessed is paid to R.H.E.
7. A sign must be on the lot showing the name of the Owner, lot number, Architect, Builder, and building license.
8. All job sites may require a mesh screen around the perimeter of the lot. The screen will be approved by R.H.E. prior to installation for the protection of neighboring buildings and landscaping. It is the responsibility of the Owner, Builder or Legal Representative to maintain the screen in good condition throughout the construction. All materials must be kept within the screened area.
9. Signed Service Contract for services rendered by the R.H.E.
10. Signed Internal Regulations.



ART 15a Documentation to be kept in R.H.E. Office

1. Copy of all Municipal stamped approved plans and drawings signed by Owner.
2. Copy of R.H.E. Building Regulations signed by Owner.
3. Copy of Building License.
4. Copy of Ecology Permit.
5. Date of delivery of sanitary facility.
6. Verification that all dues, construction fees and assessments have been paid.
7. Picture of sign with Building License.
8. Picture of mesh protection screen and date installed (if required).
9. Copy of and fines assessed to the Owner and/or Builder.
10. Copies of ALL correspondence between R.H.E. Office and the Owner/Builder/Architect.
11. Copies of all requests for project modifications and dispositions thereof.
12. Originals of the 3 Project Inspections signed and dated by inspector.
13. Copies of any other documentation pertinent to the outcome of the project.

III MANAGEMENT OF EXPENSES

ART 16 The amount of fees, deposits, and assessments may change periodically without notice. Construction fees and deposits will be managed by R.H.E. Refer to the following Schedule for the applicable amounts and conditions applicable at the time of service.

R.H.E. reserves the right to increase the Construction Deposit up to \$40,000.00usd based on the experience of the Builder, Owner, DRO or on the reputation or record of the Builder, Owner or DRO.

If the Owner replaces the Builder, DRO, or Architect during the construction, then R.H.E. reserves the right to increase the construction deposit based on their reputation, experience, or record.



All modifications to any previously approved construction projects will require R.H.E. approval prior to starting work. Any review of plans that is necessary will require a fee of \$100.00 usd to be paid first.

R.H.E. reserves the right to charge fees for small projects as it sees fit. This could be for landscaping or painting, etc.

ART 17 SINGLE FAMILY HOMES - on a Residential lot - Fees, Deposits, and Assessments for
Construction:
Quoted in USD (or equivalent amount in Mexican pesos)

Approval of Plans Fee	\$500.00
Construction Inspections Fee (for 3) (for additional inspections \$100.00 each)	\$300.00
Road Maintenance Assessment	\$2,500.00
Electrical Assessment	\$5,000.00 (See Art 60 for additional Costs)
Construction DEPOSIT	\$20,000.00



ART 18 **MULTI RESIDENTIAL** - Fees, Deposits, and Assessments for Constructions as per the Schedule below.
Quoted in USD (or equivalent amount in Mexican Pesos)

Approval of Plans Fee	\$500.00
Construction Inspections Fee (for 3) (for additional inspections, \$100.00 per unit)	\$300.00 per unit
Road Maintenance Assessment	\$2,500.00
Electrical Assessment	TBD
Construction DEPOSIT	\$30,000.00

ART 19 **COMMERCIAL PROPERTY** - Fees, Deposits, and Assessments for Construction as per the Schedule below:
Quoted in USD (or equivalent amount in Mexican Pesos)

Approval of Plans Fee	\$500.00
Construction Inspections Fee (for) (for additional inspections \$100.00 per unit)	\$300.00 per unit
Road Maintenance Assessment	\$2,500.00
Electrical Assessment	TBD
Construction DEPOSIT	\$ 40,000.00



ART 20 REMODEL or MINOR ADDITIONS - to a Residence, Condominium, or Commercial Property – Fees, Deposits and Assessments as per the Schedule below. (Includes pool addition, septic system renewal or change**)**

Quoted in USD (or equivalent amount in Mexican Pesos)

Approval of Plans Fee \$200.00

Construction Inspection Fee \$100.00
(for 1 Inspection, additional inspections \$100.00 each)

Road Maintenance Assessment \$500.00

Construction DEPOSIT \$5,000.00

ART 21 The total, or its proportional amount of the Construction Deposit will be refunded within ten (10) days upon compliance with the following:

1. The completion of all construction per the approved plan.
2. The Interior/Exterior Final Inspection by R.H.E. is completed.
3. Termination of construction, construction facilities removed, restoring the neighboring lots and access ways to their original condition, clearing of all construction debris, removal of all construction materials and completion of retaining walls including approved finish of both the interior and exterior sides of all walls and the painting if applicable of both sides.
4. Receipt of copy of the Municipal Occupancy Document by R.H.E. and final inspection completed and approved.
5. **SEE ART 53.**

The Construction Deposit does not, in any way, release the Owner from additional liability, payments, or costs incurred by R.H.E. in order to enforce compliance with these regulations. The amount of deposit may change at any time without notice.



IV **DESIGN REGULATIONS FOR RESIDENTIAL HOUSES**

The Owner, through his licensed Architect and Builder, must observe the following during the design process:

ART 22 Consider the view from adjoining lots towards the ocean. Changing the natural terrain by applying landfill or altering the topography in any other form is prohibited, unless specific permission in writing is given by R.H.E.

ART 23 One single family house per lot is permitted. Property Owners may elect to legally fuse two or more adjacent lots creating one large lot for a single residence. In this instance, and upon notification to R.H.E., the lot shall be considered one lot, and subject to single residential house dues, fees, and assessments. The designation of this lot shall remain until any subsequent notification of modification by the Property Owner. A copy of an Escritura or Fideicomiso is required to provide proof of the fusion prior to the start of any construction.
Only one level above the natural terrain is permitted. However, an underground level may be accepted.
The maximum allowable floor space ratio shall be 1:1 (1M² of construction to 1M² of lot size – all floors combined).

ART 24 The height of the construction shall not exceed 4.50 meters above the zero-elevation point. The zero-elevation point must be always visible through the construction period. It is the responsibility of the Builder to ensure that it remains visible. Requests for variances in building height will not be accepted by R.H.E. A zero-elevation point for an individual lot is to be delineated by R.H.E. **before** commencement of design or construction, in accordance with the following rules:



V CONSTRUCTION DESCRIPTIONS

LOTS WITH FLAT TO 3 DEGREES OF INCLINATION

CASE A – 1 of 5

On lots where the inclination is less than 3 degrees in any direction, the Zero Elevation Point will be defined as the mean height of the street running along the front of the lot. The maximum allowed height of construction shall not exceed 4.50 meters over Zero Elevation Point.

LOTS WITH DESCENDING INCLINATION

CASE B – 2 of 5

Lots with greater than 3 degrees of inclination

In lots with a descending inclination greater than 3 degrees, the Zero Elevation Point is determined on the mean of the natural terrain of the lot, 50%, within the setbacks. The maximum allowed height of construction on the front or higher 50% of the lot will be 4.5 meters from the Zero Elevation Point maintained level to the front 50% of the lot to the 2-meter setback. The maximum allowed height of construction on the lower or rear 50% of the lot will be 8 meters measured at the lower setback and maintained level to the mean of the construction, 50%, of the lot within the setbacks. Construction will follow the natural terrain. Construction will not exceed 4.5 meters over the natural terrain.

LOTS WITH ASCENDING INCLINATION

CASE C – 3 of 5

Lots greater than 3 degrees of inclination

On lots with an ascending inclination greater than 3 degrees, the Zero Elevation Point will be defined as the mean height of the street running along the front of the lot. The maximum allowed height of construction will be 8 meters from the Zero Elevation Point and maintained to the rear setback.



LOTS WITH STREET ON SIDE FOLLOWING OR PARALLEL TO THE INCLINATION

CASE D – 4 of 5

Lots between 3 and 8 degrees of inclination

On lots with an inclination between 3 and 8 degrees, the Zero Elevation Point will be defined as the mean height of the street running along the front of the lot between the setbacks. The maximum allowed height of construction on the high side of the lot will be 7.5 meters from the Zero Elevation Point maintained level to the high side to the setback. The maximum allowed height of construction on the lower side of the lot will be 7.5 meters measured at the lower setback and maintained level to the center point, 50% of the lot between the setbacks. Construction will follow the natural terrain and start 5 meters from the side street. Construction will not exceed 7.5 meters over the natural terrain.

LOTS WITH STREET ON SIDE FOLLOWING OR PARALLEL TO THE INCLINATION

CASE E – 5 of 5

Lots over 8 degrees of inclination

On lots with an inclination that is above 8 degrees, the Zero Elevation Point will be defined as the height of the natural terrain at the upper setback. The maximum allowed height of construction on the high side of the lot will be 4.5 meters at the Zero Elevation Point and maintained level to the center point of the lot between the setbacks. The maximum allowed height of construction on the lower 50% of the lot will be 8 meters measured at the lower setback and maintained level to the center point, 50%, of the lot between the setbacks. Construction will follow the natural terrain and start 5 meters from the side street. Construction will not exceed 4.5 meters over the natural terrain.



ART 25 No grading or filling of lots is allowed without PRIOR written approval of R.H.E.

The use of natural grass is not authorized. We live in a desert and water is very scarce and the supply is limited. Landscaping should be in the form of desert vegetation.

It is highly recommended that the cutting and shaping of granite and marble be done at the fabricators. If granite, marble, and tile must be cut for the interior of the residence it must be done in the house or in an enclosed area like a garage. The fine dust created by the cutting is hazardous and not good for the environment. It effects neighbors, pools and vegetation and is carried by the wind into adjacent homes. Complaints by neighbors will result in strict enforcement of this rule.

ART 26 Front yard setback: the front of a lot requires a five (5) meter strip free of structures of any type.

For residential lots, two car spaces, covered or not, are required for the dwellers, and two cars' spaces, covered or not, are required for guests for a total of four lot size and terrain allowing.

In cases where a lot is bordered by two opposing streets, both sides facing the streets shall be considered fronts, and are subject to the 5m setbacks.

ART 27 Side yard and back yard setbacks: a two (2) meter perimeter strip without construction shall be left as a side yard setback and backyard setback for all lots. These setbacks are applicable throughout the development, except when the property adjoins an arroyo. No structures are permitted in the setbacks.

ART 28 It is strictly prohibited to park mobile homes, commercial vehicles, boats, ATVs, Jet skis, and/or trailers on public roads or empty lots. Refer to the R.H.E. Bylaws for more details. If said equipment is towed away, violators will pay the towing expense.



ART 29 The exterior facades of all buildings and structures must have a rustic finish covered in white or earthy color, stucco, red brick, or natural stone of the region. Colors must be stated on the approved plans or color chips be provided to R.H.E. for approval prior to painting.

R.H.E. reserves the right to approve any building material used on the exterior of the construction. This also includes security or retaining walls, pergola roofs, etc.

The use of reflective glass or glass with a mirrored film is strictly prohibited. Tinted glass is allowed as long as it is not reflective. It must be approved by R.H.E. prior to installation.

Shade cloth fabric: R.H.E. reserves the right to restrict the use of shade cloth and its color. The fabric must be approved prior to installation by R.H.E.

ART 30 Pitched tile roofs or doors will be allowed only if the ridge height does not exceed 7.50 meters or 3.75 meters per Case A, B, and D. In all others cases the roof will be flat and finished in white or earth tones, having curbs or railings to conceal small areas of roofing materials which may be different. All building roofs must be constructed of concrete or clay tiles. They must be approved by R.H.E. prior to construction.

ART 31 The construction of concrete security/reinforcement walls at the rear and lateral boundaries shall be limited to a maximum height of 2.00 meters along the natural land contours. The front wall, (front of the house), facing the street shall be limited to a maximum height of 1.50 meters. Transition in height between the lateral walls and the front wall shall be the difference in the two heights times three. The transition will start on the lateral wall back from the front wall 3 times the difference in height. The lateral wall will meet the front wall at the height of the front wall. The design of the fence must be approved by R.H.E. Chicken wire, chain link fencing, barbed wire, or wood is not acceptable even during construction.



ART 32 In cases where retaining walls are required, walls must be finished with stucco, and/or natural stone.

ART 33 Every new house must have a new Sewage Treatment Plant installed. Septic systems are not permitted. The technical data for the treatment plant must be presented to R.H.E. before any installation will be allowed. The use of one treatment plant to serve 2 lots or houses is strictly prohibited.

The size of the treatment plant must be correctly sized for the size of the dwelling. Installation of smaller plants that do not meet the correct requirements is not allowed. Only one treatment plant per lot is allowed.

At no time will treatment plants be allowed to be installed in arroyos or escurrimento's. In addition, no excess fluids will be allowed to be drained into arroyos or escurrimento's. All excess materials processed by the treatment plant must remain on the lot where the treatment plant is installed.

The sewage treatment plant design is required and shall comply with local and/or Municipal regulations, including the unloading points. R.H.E. recommends the utilization of the cleaned water be used to water yard plants. The sewage treatment plant and its location require R.H.E. approval before installation.

Dumping of Black Water: It is against R.H.E. regulations to allow either by negligence, accident or by direct action the release of untreated water into the arroyos, escurrimento's, public or common areas. This action is punishable by a \$500.00 usd fine for the first occurrence and a \$1,000.00 usd fine for each subsequent occurrence. If this occurs during a construction project, then the fine must be paid in full first before resuming construction. It cannot come from the construction deposit.



ART 34 A water cistern 20,000 liters or larger is required for a single-family residence. Multi-family units require a size of 10m³, or the complex must have a cistern equivalent to the total number of units

ART 35 Water storage tanks, hot water heaters, laundry lines, generators, gas tanks, solar panels, and satellite dishes and A/C units must be kept from public view and enclosed if applicable.

ART 36 A covered garbage holding area with door or gate must be constructed to hold two 200-liter drums for a house. Multi-plex's will have at least one 200 liter can per unit. All cans to be held within an enclosure as stated above.

ART 37 In the event that it is found, that R.H.E. has approved plans and construction documents with errors relating to the Regulations, which were overlooked during the approval process, R.H.E. may at any time enforce the omitted correct regulations and request remedial action. It is the responsibility of the Owner/Architect/Builder to assure conformance with the regulations and to keep any records of any variances approved by R.H.E.

The approval of plans does not set precedence for future approval.



VI CONSTRUCTION INSPECTION

ART 38 R.H.E. will conduct a minimum of three (3) inspections to assure conformance with the approved plans at the following stages:

Inspection #1 – inspect the lot, the setbacks, first trace and footing locations determination of point zero elevation with the Owner and/or Architect. The designated parking for construction vehicles will be defined.

Inspection #2 – inspect first level elevation and foundation, roof, and setbacks of overhanging structures.

Inspection #3 – final interior and exterior confirmation inspection that the construction is per the approved plans and regulations. Inspect that all construction materials and debris are removed from lot and neighboring lots and access ways have been returned to their original condition. Inspect the Municipal Occupancy Document to ensure that it is current and complete. Upon R.H.E. satisfaction, the owner may occupy the building but not before.

This inspection is considered an approval for Occupancy.

Please note that it is the Owner's, Architect, and/or Builder's responsibility to advise R.H.E. when the construction has reached the inspection stages. **See ART 59, paragraph 3.**

No permission will be needed either written or verbal from the Owner, Builder or Legal Representative for R.H.E. to make inspections inside or outside any lot or building under construction at any time with or without advance notice.

ART 39 R.H.E. may stop construction or fine the Owner, Architect, or Builder, and refuse the access of construction workers to R.H.E., for the following, and notwithstanding any other violations to the rules that may not be comprised in this article:



1. To start or restart the construction without having secured required approvals, and licenses.
2. The use of neighboring lots without the Owner's written approval.
3. The start of construction without proper sanitary facility installed for Construction workers.
4. For construction rubble or debris on roads, common areas, and neighboring lots.
5. For non-compliance of Development and Building Regulations, or Bylaws.
6. Allowing construction workers to walk thru the development, and not being transported to the construction site. Allowing workers to act in a negligent manor.
7. To alter the construction so that it may exceed the setback and/or height restrictions. To alter the construction from the approved plans in any manner.
8. Construction vehicles that do not comply with the 20-mph speed limit.
9. For any other action that R.H.E. may consider subject to the sanction stated and/or not stated above.
10. Excessive noise or dust from the construction shall be monitored by the Builder and R.H.E. Action to resolve these problems will be taken immediately. At the request of neighbors, a protective screening must be installed to prevent damage to buildings and pools.

R.H.E. reserves the right to suspend any work by the Owner, Architect, Builder, or Supplier until violations are corrected.

ART 40 Procedure of Sanctions.

Considering the possibility that the Builder commits an error that would result in a violation to the clauses of the present contract, it is established that for this case, before applying the fine, R.H.E. will notify the Builder about the error and the violation committed and grant a seven-day period to correct said violation.

Upon reasonable request, the Builder may be granted an additional fourteen days to correct said violation, or in cases where the magnitude of the error requires more time, both parties will agree on a time of correction, but not to exceed thirty days, counted from the time of notice. The Builder will be subject to the application of the conventional penalty in the following paragraph:



The Builder failing to correct such violations, or refusal to make corrections requested, or refusing to acknowledge and verify the seriousness of the fault, must pay a fine up to \$20,000.00 USD to R.H.E., according to the magnitude of the violation, or in accordance with the following paragraph for the violation of the building regulations or Bylaws of R.H.E. This fine will be in addition to the construction deposit, and a request will be made to the Municipality to suspend all construction activities. The construction will remain in this condition until the fine has been paid in full, allowing only necessary work to proceed to correct the irregularities. This is in accordance with **ART 13** of the present building regulations.

R.H.E. reserves the right to inform the municipality about violations that are applicable to the municipality and direct the municipality to shut down all construction activities on the job site, pending resolution of the violation.

Not all violations that are applicable to R.H.E. are applicable to the Municipal authorities, each can act together or separate, and fines that are applicable by R.H.E. may be different from the authorities. Each can act individually, apply their own fines, and stop construction for violations at any time.

Table of Sanctions: (Definition of fines)

1. In reference to the violation to the approved plans, up to \$20,000.00 USD.
 - a. To make changes to the approved plans or changes to the construction that do not comply with the approved plans.
 - b. To make changes to the construction that does not comply with the approved plans that imply more building area and or height.
 - c. To make changes to the water treatment plants treated water lines that are not in compliance with the approved plans.
2. In reference to the violations by the Builders' workers, \$200.00 USD.
 - a. For allowing workers to walk thru the development of R.H.E., unsupervised.
 - b. For the nonuse of the temporary sanitary facilities by construction workers, within the lot, or outside the lot.
 - c. For allowing obscene actions.
 - d. For violation of noise Regulations as per **Article 47a**.
3. In reference to the violation of transit of vehicles, \$200.00 USD.
 - a. Vehicles transiting outside the designated approved route.
 - b. Vehicles transiting over the specified speed limit.
4. In reference to the cleanup of the surrounding area, \$500.00 USD.
 - a. Putting or leaving construction debris on lots or streets.



- b.** Putting or leaving trash, food, beverages, or containers on lots or streets.
 - c.** For not cleaning or repairing curbs and streets.
 - 5.** In reference to using the neighboring lots without written permission, \$1,000.00 USD without detriment of any actions taken separately by the neighbors.

The sanctions stated above may be applied as many times as violations occur. According to **ART. 39:09** other fines or sanctions may be applied.

ART 41 Procedures for Resolving Technical Controversy

- 1.** In case that a disagreement, technical controversy, exists concerning a Construction Application by the Homeowner, the interested parties, together, will ask for the interpretation of the Building Regulations by; a professional Architect and/or Engineer. They must be currently registered as a Director Responsable de Obra (Director Responsible of Construction) by Los Cabos Municipality.
- 2.** In case that the technical controversy is not settled by the intervention of the professional mentioned above, a special request may be made by the Homeowner, for an intervention by the Dirección General de Planeación, Desarrollo Urbano y Ecología or the correspondent official entity. This is an order to get a technical analysis by the official mentioned above, who will be taking into consideration to resolve the controversy.
- 3.** Accordingly, in the previous paragraph the mentioned technical resolution by the correspondent official will be decisive on R.H.E. The mentioned technical resolution will not authorize the architectural project presented by the Homeowner, until they obtain "Usos de Suelo", any Technical Resolutions and Construction Licenses as approved under the standard procedures of the Municipality.
- 4.** All costs generated or incurred by this request will be the full responsibility of the Homeowner. Neither R.H.E. nor any of its employees will be responsible in any manner for any costs. These costs must be paid to the required departments before any R.H.E. approval will be given.



VII REGULATIONS FOR THE CONSTRUCTION PROCESS

ART 42 The public thoroughfare in front of the lot must be kept free of rubble, rubbish, or construction materials at all times. R.H.E. is authorized to take the corrective steps and to cover expenses with the funds taken from the construction deposit.

ART 43 The use of the empty neighboring lots to deposit building materials during the construction period is subject to the express written authorization of the owner of said empty lots. Upon completion of construction, lots shall be restored to their original condition.

ART 44 Working hours are limited from 8:00 a.m. to 6:00 p.m. on weekdays, 8:00 a.m. to 2:00 p.m. on Saturday. No work may take place on Sundays or legal holidays. No construction noise will be allowed before 8:00 AM on workdays.

ART 45 No Owner or construction personnel may occupy the property as a domicile during construction. For Occupancy see **ART 38, #3**. A single night watchman is allowed on the premises. The Owner must notify R.H.E. of the watchman's name, address, and working hours on duty. The private watchman is only allowed on the construction property, and the Owner takes full responsibility for the watchman and his actions.

ART 46 The Owner, alone, shall be held liable to immediately repair any damage to passageways, services, or properties of R.H.E. or R.H.E. property Owners. In order to avoid damages to the road, only three (3) axle construction vehicles will be allowed in R.H.E. Should the Owner or Builder see the necessity for heavier equipment, an alternate route will have to be agreed upon by R.H.E. A temporary screen must be installed between a completed home and the new construction site to protect the home and their view.

ART 47 Pedestrian, Vehicular Traffic:

1. Construction workers will only be allowed to enter the development in the Contractor's vehicle, thereby prohibiting foot traffic of construction workers through R.H.E.



2. The vehicles used daily by Builders must be registered with R.H.E. security, and will obtain a pass to be displayed on the windshield of the vehicle. Vehicles must not block public roads.
3. All vehicles must obey R.H.E. traffic regulations. Traffic shall not exceed 20 mph or 30 kilometers per hour. Violators may be denied future access to R.H.E. for the vehicle in question.

ART 47a Worker Behavior.

1. Foul Language: It is the responsibility of the Owner, Builder or Legal Representative to control the language of the workers. Foul language will NOT be tolerated.
2. Mandatory use of safety helmet, vest, and work boots for all workers on construction site. Sandals or flip-flops will not be allowed to be worn by any construction workers on the job site.
3. Music: No music may be played.

ART 48 Garbage and Construction Debris.

Waste Containers: Each construction site, new or remodel, must always have waste containers on site.

Construction debris: All construction debris will be piled neatly and removed from the area at least once every 2 weeks or more if requested.

ART 49 Utilization of potable water. All authorized construction sites must have at least a 10m³ "rotoplas" water cistern, which will be filled by a water truck during construction.

ART 50 Only the uses and assignments indicated in the Master Plan approved by Promotora Salmario S.A. de C.V., in consultation with R.H.E. will be permitted.



ART 51 During the course of construction, storage facilities are permitted. These facilities cannot exceed 25m² in size. Other provisional installations, such as camping shelters, are strictly prohibited. All construction sheds built on a construction site must be removed from the site before the final inspection.

ART 52 R.H.E. reserves the right to modify the restrictions in special cases without setting precedence or incurring any liability.

ART 53 Return of Construction Deposits

- a.** New Construction: The time limit is 2 years from the date of the Municipal building permit. All construction must be completed within this time for the construction deposit to be returned. After this period the construction deposit will be retained by R.H.E. All other conditions must be met for the return of the deposit.
- c.** Remodeling: The time limit 1 year from the date of the municipal building permit. All construction must be completed within this time for the construction deposit to be returned. After this period the construction deposit will be retained by R.H.E. All other conditions must be met for the return of the deposit.
- d.** The construction deposit refund will be returned upon the manifestation of the construction with Catastral. All other conditions must be met for the return of the deposit.
- e.** In the event that construction exceeds the above time limits, and the owner wants to continue and/or initiate further construction, reapplication, and payment of a second Construction Deposit may be necessary. Any outstanding fines will have to be paid in full.
- f. SEE ART 21**

VIII BUILDING REGULATIONS FOR CONDOMINIUMS
(House Development and Building Regulations apply to Building Regulations for Condominiums where not written or specified in the Condominium Regulations.)

ART 54 R.H.E. will review the development of special projects such as condominiums, hotels, commercial retail units, and other non-residential uses for pros and cons and the impact and validity of its effect on R.H.E., including construction issues.



ART 55 Only 50% of the surface of the lot may be utilized for buildings whether the Condominiums are attached units or separate units. The remaining 50% maybe utilized for service installations, parking lots, sidewalks, pools, green areas, and recreational facilities. A ten (10) meter strip free of construction along the streets and a two (2) meter strip free of construction on the sides of adjoining neighboring lots shall be left.

In cases of various adjoining streets, the ten (10) meter restriction will apply to all streets. Condominal Areas cannot be subdivided into lots smaller than 400m² for separate units. **Articles 26 and 27** are applicable to condominium regulations.

ART 56 The area of the upper floor shall not exceed the area of the ground floor except for terraces. A 10,000-liter cistern will be required to be built for each unit or one cistern proportionate to the number of units built.

ART 57 For the purpose of this article, "Unit" shall mean a kitchen, dining room, livingroom, two bedrooms, two bathrooms, and a storage facility. The maximum area of construction allowed will be 100 square meters for a condominium apartment, and 160 square meters for a separate villa.

ART 58 The maximum building height shall not exceed 7.50 meters on any part of the land following the natural terrain of the land. No landfill can be placed on the lot to change or alter the height of the natural terrain, unless permission is given in writing by R.H.E. R.H.E. reserves the right to limit location and /or height of trees or plants that would limit views of other homeowners.

ART 59 All current and past Maintenance Fees must be paid in full on each lot at the first pre-construction consultation. Upon presentation of the construction plans, the owner must pay the Construction Fees, Construction Deposit, and Assessments.

Special Fees may be assessed as follows:

1. An amount established by R.H.E. for a licensed Architect to review plans and issue a written report of the project and plan.
2. An amount established by R.H.E. for each subsequent revision to the project and to make the modifications that are necessary.



3. An amount established by R.H.E. for the inspections of the project and for supervision to insure the fulfillment of the regulations during the construction period. This is over the three minimum inspections of each unit. It will be the responsibility of the Owner, Architect and/or Builder to advise the R.H.E. when construction has reached the required inspection stage.

Construction will NOT progress until an inspection is made; written report of the inspection is received by R.H.E., and written approval has been given.

If Owner, Architect and/or Builder fails to notify R.H.E. Office Manager that they are ready for inspection and continue construction without an inspection, the developer will be fined \$1,000.00. The project will be stopped until, the fine is paid, and an inspection is made and accepted by R.H.E. R.H.E. reserves the right to increase the fines for subsequent violations.

4. **ART 19** Fees and Deposits applies. The Construction Deposit of \$40,000 US Dollars, or an equivalent amount in Mexican Pesos will be paid. This deposit is to guarantee the cost of reparation and cleaning of neighboring lots, streets, and common areas, or to cover penalties established in the present regulations. The total amount, or its proportional part, will be reimbursed upon termination of the project, after the final interior and exterior inspection is completed, the Municipal Occupancy document is received, and subject to the Owner restoring the neighboring lots and passageways to their original condition. The deposit does not free the Owner from any payments and additional costs incurred by R.H.E. to comply with this provision.

R.H.E. may withhold the total or any amount of the deposit for any of the following infractions:

- a. To start or restart the construction without having the Construction License.
- b. If the neighboring lots are used without the Owner's written approval.
- c. If proper temporary toilet installation is not provided for construction workers.
- d. For construction rubble or debris and/or garbage on roads or common areas which has not been timely removed in accordance with previous provisions.
- e. For non-compliance of R.H.E. Development and Building Regulations.

R.H.E. reserves the right to suspend any work by the Owner, Developer, Architect, Builder, Contractors, or Suppliers until the violations are corrected. In addition to fines, R.H.E. will advise the authorities of the suspension of work, until the violations are corrected.



IX ELECTRICAL CONNECTION REQUIREMENTS & COSTS

ART 60 As a private Development IRH owns all the underground electrical lines, transformers, and meter bases. Owners wishing to connect to power which is supplied by CFE are required to pay IRH a connection fee of \$5,000.00 US.

A. The \$5,000.00 fee includes;

1. Installation of a meter base and access (if available) to temporary power during construction.
2. Provision of electrical cable from the meter base to the construction site as agreed to by IRH and the Owner (additional wire charges may apply).
3. IRH requirements to assist the Owner obtain CFE approval for permanent power and their own power meter (**see ART 18**).

B. The \$5,000.00 fee does not include;

1. CFE Application and Inspection requirements and fees.
2. CFE Connection Fees.
3. Cost of power for temporary access during construction.



X AUTHORITIES

ART 61 The present regulations have been approved by R.H.E. on this day: _____, 202_____.
Validating this document with their signature is the Legal Representative for Inmobiliaria Rolling Hills S.A. de C.V.
These regulations become effective on this same day and replace any former regulations.

For the purpose of interpretation and application, the Spanish version prevails.

**Glenn Michael De Goeij
Legal Representative
Inmobiliaria Rolling Hills S.A. de C.V.**

Date

AGREED TO BY

Date