

Milagro del Mar

Oceanfront Condominiums at Gran Pacifica

Department of Managua, Nicaragua, Central America

Rules and Regulations

I. INTRODUCTION

These Rules and Regulations have been adopted by the Milagro del Mar Community Association (“MMCA”) to protect the architectural integrity and harmony of Milagro del Mar, promote the safety and welfare of residents, maintain property values, protect investments and provide a superior quality of life.

As joint owners in the Common Elements of the Milagro del Mar Condominium Association, unit owners, and by extension, their families, tenants and guests, share all responsibility for making the community a pleasant place to live, thereby enhancing the quality of life at Milagro del Mar, while protecting the considerable financial investment each unit represents.

The following Rules and Regulations do not replace the By-laws of MMCA or the Sales Contract, which CCMA uses as its primary governing documents. In case of conflict in the wording of these documents, the By-laws and Sales Contract prevail. Gran Pacifica Resorts, S.A., as the master developer, has issued and published the Master Association Covenants and Restrictions which will prevail in case of conflict with stated Milagro del Mar Rules and Regulations. Copies of the Gran Pacifica Resort, S.A. Covenants and Restrictions are available from the Gran Pacifica Resort website www.granpacificacom.com.

These Rules and Regulations shall apply to all property owners, their family members, guests, rental tenants, agents, visitors and employees and shall be enforced by MMCA in accordance with applicable MMCA Covenants and By-laws.

In establishing and maintaining these Rules and Regulations, MMCA shall make every effort to ensure that they do not affect any unit owners' right to the enjoyment and reasonable use of their property and the privileges of ownership.

These Rules and Regulations may be modified, repealed or amended at any time by resolution of the MMCA when deemed necessary and in the best interest of the unit owners and residents of the community.

II. GENERAL INFORMATION

The Milagro del Mar Condominiums are located in the Gran Pacifica Resort on the Pacific Coast near the Municipality of Villa del Carmen, Department of Managua, Nicaragua.

Property in the condominium development of Milagro del Mar is classified as "General Common Elements and Limited Common Elements and Reserved Property".

The swimming pools, waterfalls, streets, curbs, sidewalks, walkways, elevators, stairways, lawns, green areas, trees, shrubs, flowers, exterior lighting and parking areas comprise the General Common Elements. MMCA, along with the Management Agent, is responsible for the operational management and oversight of maintenance and improvements to these areas, which are for the exclusive use of the individual unit owners and their family members, guests and rental tenants.

The Limited Common Elements include balconies and patios that are part of each individual unit. Unit owners, family members and guests have the responsibility for the upkeep of these areas.

The Reserved Property includes the sales and rental office, restaurant, bar, retail space(s), meeting room, kitchen, bathrooms and other areas within the confines of the building which is commonly referred to as "The Clubhouse".

III. GENERAL RULES AND REGULATIONS

Any damage to buildings, grounds, or other common areas or to equipment by any owner, family member, guest or pet shall be repaired at the expense of the unit owner. This charge may be assessed in addition to any fine as prescribed by this document. Unit owners are fully responsible for the actions of their family members, guests and pets, and shall be held accountable for any damage done to the property. Violations committed by rental tenants will be addressed by the Management Agent or Rental Manager.

1. Common areas, including lawns and walkways shall not be used for storage or parking or be obstructed in any way. No bicycles, toys, trash cans or recycle bins, or other personal property shall obstruct entrance ways, walkways, parking or other common areas.
2. No unit owner shall make or permit any unreasonable noise that will disturb or annoy other residents, or permit anything to be done which will interfere with the rights, comfort and convenience of other residents.
3. Trash and garbage shall be placed in sealed plastic bags. Trash cans shall be kept inside the rear of each unit until pick-up day.
4. No playing (including ball playing) shall be permitted in the parking lots.

5. Barbecuing and cooking is permitted within each unit and on balconies and patios of each unit as long as these activities do not create a danger to other residents and guests or to the structure of the buildings.
6. Signs, notices, advertisements shall not be placed, inscribed, or exposed on any window, door, or other exterior parts of the units or on the common areas. Alteration or defacing of any exterior surface within the property is strictly prohibited. "For Sale" signs must be approved in advance by MMCA. "For Rent" signs are strictly prohibited.
7. A copy of these Rules and Regulations shall be provided to all unit owners, family members and guests, with a copy of the Rules and Regulations, and shall be maintained within the unit for rental tenants at all times.
8. Unit owners, family members, rental tenants, and guests shall not deface, remove, or destroy, or permit the defacing, removing or destruction of any element of the common areas.
9. Unit owners, family members, guests and rental tenants shall not at any time bring into or keep in their units flammable, combustible or explosive fluids, materials, chemicals or other substances, except for common household cleaners and chemicals and only those should be in household quantities.
10. Toilets and other drains in the buildings shall be used only for the purposes for which they were designed. Any damage to common building plumbing resulting from the misuse of the plumbing or drains in a unit shall be repaired by MMCA and paid for by the owners of the units.
11. Power tools shall not be used between before 9:00 a.m. or after 9:00 p.m.
12. No peddlers or solicitors of any kind shall be allowed in the Milagro del Mar Condominium Community. Please report any solicitors to the Management Office.
13. Clothes, bedding, laundry or the like shall not be hung, aired or dried from the windows, patios or balconies. Outdoor clotheslines shall not be used at any time.
14. Other Rules and Regulations as posted in conspicuous locations around the Milagro del Mar Condominium Community, including the pools, waterfalls, management offices, restaurant, bar, retail spaces, parking lots and other common areas, shall be followed at all times without exception.

IV. CONDUCT

No offensive trade or activity shall be carried on within any condominium unit, nor shall anything be done therein or thereon which may be or become an annoyance to the neighborhood or other owners. All condominium owners, their family members, guests and rental tenants shall maintain the volume of their televisions, stereo systems and other devices at an acceptable volume so as not to unduly disturb their neighbors.

Condominium owners shall not use or permit their unit, or any part of the Common Elements or Reserved Property, to be used by their family members or guests for any

illegal or immoral purpose. Use of the units for the carrying on of a business or trade must be approved in advance by the MMCA.

V. INSURANCE

No activity shall be permitted, nor item maintained, in any condominium unit or on any Common Elements, General or Limited, which will increase, or potentially increase, the rate of insurance on any condominium unit or on the Common Elements, or result in the cancellation thereof, without prior written approval of MMCA.

MMCA shall maintain a general insurance policy on the building structures. It is highly recommended that unit owners maintain an insurance policy on the contents of each unit.

VI. ANIMALS AND PETS

The maintenance, keeping, boarding and/or raising of animals, livestock or poultry of any kind, regardless of number, shall be and is hereby prohibited within any condominium unit or Common Elements, except that this shall not prohibit the keeping of pet dogs, cats, and/or caged birds as domestic pets by condominium unit owners, provided they are not maintained, kept or bred for commercial purposes and provided further that the keeping of pet dogs, cats and/or caged birds will not constitute such type of noxious or offensive activity as referenced in Part IV. Pet dogs shall be defined as dogs weighing less than 60 pounds or 27 kilograms.

All pets shall be on a leash and under the control of their owner at all times while outside any condominium unit, and shall not be allowed to run free or unleashed at any time, or to otherwise interfere with the rights, comfort or convenience of other residents.

Dogs may not be walked on grassy areas near other condominium units, and pet owners are responsible for the immediate removal and proper disposal of any pet deposits from any of the common areas.

Pet Owners are responsible for preventing any disturbing pet noises or any other interference with the rights, comforts and conveniences of other residents.

Dogs and Cats must be vaccinated for rabies and other communicable diseases as is common and customary.

Owners are responsible for all damages caused by their pets to common areas and to the property of others.

Rental Tenants shall not be allowed to keep pets in any units during their stay at Milagro del Mar Condominiums.

VII. MOTOR VEHICLE OPERATION

Except as herein provided, no junk vehicle or other vehicle on which current registration plates are not displayed may be kept on any Common Element.

No trailer, truck (other than standard size pick-up truck), camper, house trailer, or boat may be kept on any Common Elements.

No repair or extraordinary maintenance of automobiles or other vehicles may be undertaken on any of the Common Elements. Minor vehicle repair work shall be permitted in emergency cases only, provided that the area is cleaned after repairs have been completed.

Vehicles shall be prohibited from parking upon the Common Elements other than parking spaces provided for that purpose. Each condominium owner, guest and rental tenant will be provided with parking decals or other identification devices which shall be displayed in their vehicle during their stay at Milagro del Mar Condominiums.

Parking of commercial vehicles, defined as a vehicle with any lettering on its body, is strictly prohibited on the Common Element property.

VII. ARCHITECTURAL MAINTENANCE/CONTROL

No structural alteration (construction, addition or removal) of any condominium unit or Common Element shall be commenced or conducted except in strict accordance with the provisions of the By-laws.

All changes proposed by the unit owner to the interior of any unit shall be submitted in writing to the Milagro del Mar Condominium Association. All requests shall include a written description and a diagram of the proposed changes, and must be signed by the unit owner. Once written approval has been received from MMCA and changes have been made, the unit owner must contact MMCA to schedule a final inspection and receive a signed inspection by MMCA.

No owner or resident may make or cause to be made any change to the exterior of any unit.

IX. ASSOCIATION DUES, SERVICES AND MAINTENANCE

Milagro del Mar Condominium Association dues include security guard services, basic TV cable service, trash removal, landscaping, common area maintenance and pool maintenance.

MMCA dues do not include homeowners insurance on the contents of the units or the cost of electricity and water. The Association strongly suggests the homeowner take out a personal contents insurance policy to cover the contents of their condominium.

MMCA will bill Unit Owners monthly for electricity usage in each unit and quarterly for water usage in each unit based on a per diem usage rate as established by management.

MMCA shall maintain a preventive maintenance and upgrades program in addition to basic necessary repairs. A structured plan for the maintenance of all structural elements through the development of a financial reserve to cover long term repairs and upgrades will be instituted.

The Milagro del Mar Condominium Association will send bills to all unit owners each month for their share of the MMCA expenses. It is currently estimated that these dues will range from \$200.00 to \$250.00 per month depending on unit size. Once a track record has been established, these fees may be adjusted either up or down. A portion of these dues will be set aside in a trust account for the long term maintenance of the Common Elements as mentioned above.

Failure of any condominium owner to pay their monthly Milagro del Mar Condominium Association dues or assessments will result in MMCA placing a lien on the owner's condominium unit. Continued non-payment of dues will result in legal Perfection of Claim of Lien and thereby may result in liquidation by public sale of the unit.

XI. INTERIOR DESIGN PACKAGES

All condominium owners shall have the option to purchase one of the interior design packages provided by NicaBella, S.A., an interior design service who has contracted with Milagro del Mar to provide interior design services, furniture and accessory acquisition, and household goods procurement. This service is offered to enhance the purchase process for all condominium owners and maintain a reasonable standard of quality and appearance for any condominiums placed in the Rental Program and to protect the investment of all condominium owners.

For contact information on NicaBella, S.A., please contact Milagro del Mar by e-mail to roger@hunterblair.com or by calling 404-886-6806.

XII. ENFORCEMENT/PENALTIES

A system of penalties has been established to ensure compliance with the Rules and Regulations of the Milagro del Mar Community Association. This enforcement procedure will result in greater community awareness of reasonable conduct to which all unit owners are entitled. Should a violator not be a unit owner, the owner will be provided with copies of all correspondence pertaining to the violation and any ensuing penalties

and hearings. The unit owner is ultimately responsible for all fines and the removal of all violations which are the result of their actions or the actions of their family members or guests. Any violations to the Rules and Regulations that are committed by rental tenants will be addressed by the Rental Manager, and unit owners will not be held responsible for actions of a tenant contracted by the Rental Manager or Management Agent.

Fines may be imposed for violation of any of the above rules, according to the following Fine Schedule:

- 1st violation, after written warning - \$50.00
- 2nd violation - \$100.00
- Repeated violation - \$250.00

The Milagro del Mar Condominium Association may not impose any fine or infringe upon any rights of a unit owner for violations of the rules until the following procedures have been complied with.

1. If a violation of the rules is alleged in a written complaint to MMCA, MMCA will notify the alleged violator in writing to cease and desist from the violation. This notification will include:
 - i. the nature of the alleged violation;
 - ii. the action required to remove the violation, and
 - iii. notification of a grace period of ten (10) days, within which the violation may be removed without penalty. Should the violation continue beyond the grace period, a fine will be imposed.
2. The violator may request a hearing within ten (10) days after imposition of the fine. The request must be made in writing and be addressed to the Milagro del Mar Condominium Association. The hearing shall be held in executive session (a closed session) of MMCA, and will afford the violator a reasonable opportunity to be heard. The violator may present his/her case to MMCA, and MMCA will decide, based on the available information regarding the alleged violation, whether or not any fines and/or penalties should be lifted.
3. If any violation is repeated within twelve (12) months of the first notice, said violation will be considered a Repeat Violation and a fine will be imposed without a grace period per the Fine Schedule first listed above.
4. If any unit owner fails to comply with the Rules and Regulations or By-laws, or with any decision rendered under the Rules and Regulations and By-laws, the unit owner may face legal action for damages or injunctive relief, or both, by MMCA. The prevailing party in any such proceeding may be entitled to an award for legal fees, as determined by the court.

A fine will be applied to the unit owner regardless of whether the offender is the unit owner, a guest or a family member. The payment of a fine does not relieve the offender

of the obligation of correcting the violation. If MMCA incurs expenses to correct the violation, this expense will be applied to the unit owner. If the bill is not paid by the unit owner, a higher fine may be imposed.

If this fine remains unpaid, a lien may be placed against the unit in question. In addition, MMCA may perfect a lien (foreclose) if such action is deemed necessary. Other penalties for not paying the aforementioned fines and expenses may also be considered, including, but not limited to, the following:

- A. Undertaking legal action against the unit owner for damages.
- B. Imposing criminal penalties through the proper authorities.

Only the residents of a community can establish the kind of spirit and culture which will foster a neighborly environment, making Milagro del Mar a truly outstanding place to live. To facilitate this spirit, these Rules and Regulations have been developed with the intent to aid in safeguarding the property, safety, privacy, and peace of mind of our neighbors and ourselves.

Thank you for being an integral part of Milagro del Mar, a truly outstanding oceanfront condominium development on the Pacific Coast of Nicaragua.