

CONSTRUCTION PROCEDURE FOR NEW CONSTRUCTION, IMPROVEMENT, MODIFICATION AND/OR ADDITIONS TO EXISTING STRUCTURES IN PLAYA DE ORO

DEFINITIONS:

PLANS

Plans are architectural detailed drawings of the proposed construction showing floor plan, exterior elevations (4 sides), building sections, electrical, structural and plumbing plans. Plans shall be acceptable to the local Government for issuance of a building permit for construction. The building elevations and sections must clearly indicate the 0.0' datum reference point, the finish floor elevation in relation to this datum and a horizontal line 14 feet above the datum indicating clearly and accurately the 14' maximum building height limit.

Plot Plan is a drawing of the site indicating the location of the fixed and approved 0.0' datum, dimensioned property lines, street, north arrow, setback at all sides, building footprint dimensioned to property lines, electrical service location, water service location, and septic location.

All plans must be drawn to scale and accurately reflect the proposed development. All dimensions must be in feet and meters. The allowed setback is 5 feet from both sides, front and rear property lines. Sea front lots have a different setback requirement. Each sea front lot must be coordinated with the Architectural Control Committee (ACC).

LOT LIMIT MARKERS

Lot Limit Markers are orange flags or pipe or concrete set marker. This defines the limit of the lot as professionally surveyed. If these are not found, please contact Parkstrong Management Development.

GARBAGE

Garbage (Basura) is waste generated from the workers and actual onsite construction.

PORTABLE TOILETS

Portable Toilets (Sanatorios/Banos) are human waste facilities onsite for use by all construction workers. All construction sites are required to have portable toilets onsite and they must be kept in a clean and sanitary condition.

ACC references the Architectural Control Committee which is the committee for review and approval of plans, plot plans, environmental concerns, and onsite construction. This does not afford any jurisdictional approval that may be required.

BOD refers to PDO HOA Board of Directors.

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CC & Rs are the approved Covenants, Conditions and Requirements of Playa de Oro.

HOA refers to Home Owners Association.

PDO refers to Playa De Oro development/subdivision.

PM references Property manager.

PMD references Parkstrong Management

PROFEPA refers to “PROcuraduría FEderal de Protección al Ambiente”

PROCEDURE:

Preliminary

Prior to commencing the design, the Owner should visit the site several times to understand the adjacency, context of the surrounding development, views and environment. Prior to starting the design, the Owner shall meet with the ACC to define the datum, 0.0' elevation reference point. This will be the basis for determining the maximum building height which is 14 feet above this point. A letter or email will be provided to the Owner stating this point and this must accompany the plans as a part of the ACC review and approval. An email will also be sent to the property manager. After the datum level is determined by the ACC, the Owner may submit their plans when completed.

The PM must be notified one week prior to commencement of any site work. A meeting with the Contractor (Builder), Owner and ACC (as available) will be required to determine what plants must be relocated and which plants can be totally removed. This may be covered in the initial datum level meeting.

Preliminary Screening of Plans by ACC

Plans for new construction or modifications and/or add-ons to existing structures must be submitted to the ACC for preliminary screening. The ACC will either approve or resubmit the plans to the Owner for revision. Upon approval, the ACC will notify the builder, owner, and property manager..

ACC Review of Plans

Plans are to be submitted to the ACC as indicated above for review and approval prior to any construction. A non-refundable \$750.00 USD fee payable to the HOA must accompany the submittal of the application and plans in PDF format as these are easier to route for approval and to archive. It is beneficial to include walls, palapas, as well as other exterior additions in the original set of plans. This will eliminate the need to submit further plans when such exterior structures are constructed at a future date.

It is recommended to make a preliminary set of plans once the design is finalized prior to completing the official plans. This will allow a preliminary review and allow the ACC to make suggestions or recommendations in advance of your final plan submittal to prevent additional

costs to you in the event changes may be required. A site plan, floor plan and elevation are suggested for this submittal. It is best to submit the preliminary plans in PDF as these are easier to route for review.

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Finish materials, color and textures are to be submitted with the plans for review and must be followed during the construction.

The plans are reviewed by the ACC to ensure compliance with the CC & Rs, and any changes, recommendations or requirements are returned to the Owner for correction. After the plans and plot plan are approved by the ACC, the Owner will be advised and any conditions of approval will be conveyed and must be strictly followed by the Owner.

Plans Approved By ACC

The ACC will provide a written letter or email of approval to the Owner stating acceptance of their plans and listing the requirements for garbage, environmental issues, and portable toilets. The PM shall provide correct legal street address to the Contractor or Owner.

Preconstruction Meeting

Once plans are approved by the ACC and before construction, a meeting of the Owner, Contractor, property manager, a member of the ACC will be held to review the plans, the project and pertinent CCRs. Once the meetings is held and any concerns are addressed, an Approval for Construction will be issued by the ACC with copies to the property manager, builder and the Owner. A copy of the Approval for Construction is to be readily available at the building site. The Architect's name and phone number must also be posted at the building site.

PDO HOA Building Permit

A Building Permit from the local jurisdiction will be required and the fees paid by the Owner. The cost of the permit will depend upon the square footage of the building as set by the local Government. The Contractor shall apply for and receive the actual permit. The Contractor is responsible for obtaining the Building Permit as required.

The PM shall receive a copy of the Building Permit. The local Government requires that the Building Permit must be applied for prior to the beginning of construction.

Please allow 4 weeks for approval of final plans. The ACC shall do its best effort to expedite approval.

However, do not present plans one day and expect approval the same day or the next day.

CONSTRUCTION RULES AND REGULATIONS FOR PLAYA DE ORO

Height of Buildings

The height limit of 14 feet shall be measured from the 0.0' datum point established by the ACC which will be the datum reference point from which all height measurements will be calculated. Special consideration may be required for some lots and ACC approval will be required for a variance.

Security

All contractors/builders shall be required to have all of their employees, workers, and subcontractors register at security when entering and leaving the Playa de Oro jobsite. The

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registration will have the names of the contractor and the name of the worker. Playa de Oro security will make random checks of the workers. Those workers not registered will be escorted off the jobsite. It is the contractor's responsibility to maintain the registrations and the owner will be notified if their contractor is not in compliance.

Owner's Responsibility

The Owner will be responsible to verify that the contractor/builder is properly licensed and pays the Workers Compensation, Social Security, and other employee benefits as required by the Mexican Government. Playa de Oro and the PM shall be indemnified by the Owner from all liability for any and all taxes, employee benefits, Workers Compensation, Social Security and all other expenses incurred by the contractor and Owner by the signing of this document. The Owner also has to make sure that all subcontractors are registered with the Workers Compensation. Some independent Owner Operators are exempt but it is up to the Property Owner to verify this.

The PM has a list of pre-approved contractors. You may contact the PM for a copy of this list.

The contractor/builder must follow all required Semernap/PROFEPA regulations while construction is in progress. If you are in doubt, ask at the PM administration office.

PROFEPA REQUIREMENTS

A. All trash, waste building material, blocks, bricks, concrete, paper, wood, etc., shall be removed from the construction site and delivered to the San Felipe Dump. B. PROFEPA requires Playa de Oro to keep a log/register of loads taken to the dump. At the end of each month, the contractor/builder must supply a list of the number of loads they have taken to the dump.

C. PROFEPA will not allow any burning of waste at the jobsite.

D. PROFEPA will not allow any burying of waste at the jobsite.

E. PROFEPA requires the Garambillo (old man cactus), Ocotillo, and Choya be protected and can only be moved to another location and not destroyed.

F. If you are in doubt, ask at the PM administration office. Serious fines will be applied by PROFEPA if these rules are not followed.

G. Portable Toilets (Sanitarios/Banos) shall be REQUIRED at each construction site. A certificate of legal disposal must be presented PRIOR to placement of the unit. Please see attached **Exhibit A** for details.

H. Dust control is required and the contractor/builder is responsible for reducing the dust by watering the site and the street from entrance to construction site as needed.

Garbage

Garbage containers with closing lids are REQUIRED for all sites for construction debris and refuse. A certificate of legal disposal must be presented PRIOR to construction. Each and every workday all construction sites are required to be cleaned with no refuse or debris lying on the ground or in the roads before the end of shift. If any trash has blown to adjacent lots this will need to be cleaned as well. If trash is not kept clean, there will be a fine for the first offense of \$200 and \$400 for each additional offense. This fine will also be levied at the end of the project

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if all the affected areas are not left as they were before the project started. The PM and the HOA are committed to a clean environment and dumping of trash illegally in the desert is not acceptable. Fines will be assessed for any contractor who does not comply with this rule.

Construction Deliveries

Playa de Oro will not accept construction deliveries. There must be a representative of the construction company present to accept the deliveries. All construction traffic/equipment/deliveries are to be routed down the main roads Calzada Playa De Oro, Calle Cerro Punta Estrella, and Ave Playa Del Carmen. No traffic is to be on any other roads unless the construction site is there.

Excavations

Before any digging on the construction site, it is the contractor/builder's responsibility to verify where all the underground electric wires, water lines and other underground utilities are located. Any damage to the underground utilities by the contractor/builder will be repaired at the Owner's expense.

Septic Systems

It is the HOAs recommendation that ALL SEPTIC SYSTEMS BE INSTALLED BY PARKSTRONG MANAGEMENT & DEVELOPMENT (PMD). PMD is approved by the Mexican Government, Semernat (the Mexican EPA), and the National Agua Commission to install a specially designed sewer treatment system manufactured by RotoPlas of Mexico. If you choose to use someone else, these installers have been vetted: Juan Reyes C. Constructor, Jacobo Del Valle Renferral, or Guadalupe Rivera Perez. The system must be confirmed through PMD to ensure the correct/current model is used. There are very specific directions for installing the system and its drain field. It is critical that the builder/owner consult with PMD personnel prior to installation to make sure the install is done correctly. PMD/the developer, will not be liable for any installations done by others.

Construction Material Storage

No construction material, spoilage, trash, or equipment shall be stored on any adjoining lot unless written permission is granted by the owner and submitted to the PM. If there is not enough room to store on the building lot it can only encroach the roadway by 20% of the roadway width. Anything in the road must be coned off clearly for safety.

Work Hours

The work hours in PDO shall be Monday-Saturday from 7am-7pm. No Sunday new construction work is allowed. During July, August, and September it will be acceptable to start work at 6am as long as noise is kept to minimum.

Music

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Music shall be audible on the jobsite only and not down the street.

Speed Limit

The speed limit within the streets of Playa de Oro is 20 miles per hour. Citations will be given to those who exceed the limit. One warning will be issued. The second citation will require the offender to park at the highway and walk to the jobsite. NO EXCEPTIONS.

First Aid

First aid kits shall be on all construction sites.

House Addresses

All lots/homes in Playa de Oro have been assigned street address numbers by the Government. After the home is approved by the ACC, the legal house number will be included in the approval letter. The house number must be placed on the finished home or exterior wall in numbers no less than 6 inches high nor greater than 12 inches high. The numbers must be visible from the street.

Lot Limit Markers

The lot limit markers are not to be disturbed, removed, replaced or otherwise altered. A fee will be charged to the Owner to survey in the event the markers are moved, lost, altered or removed.

Building Permits

The new rules from Catastro, the Mexican Government branch that approves and issues building permits, require the following: All construction sites must post the name of the contractor and the architect and their license numbers. They are also requiring the architect to visit the site 2 times a week. In Mexico the architect is responsible and liable for the whole project.

Temporary Electrical Hookups

For electrical temporary hookup, the Owner will have to submit \$50 USD to PMD which is a NON refundable deposit.

EXHIBIT A

Social Security Registration

Please be advised that Social Security registration for your building must be in the “Owner's” name

with or without the name of the contractor. According to Seguro Social, a job contract establishes the legal obligation for the Employer/Owner to report and pay any tax liability. The contractor can, and sometimes will, perform all registration and payments on the

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Employer/Owner's behalf.

It is the Owner's responsibility to ensure that those people working on their project be registered with Social Security. This covers ANYONE working on your project, including but not limited to general contractors, subcontractors, independent workers or sole individuals.

THIS IS EXTREMELY IMPORTANT!!!! If a worker is injured or killed while working on the Owner's job and there is no proof that the Social Security taxes were being paid on that worker, the Owner is fully responsible for the payments of any benefits due to that worker or his family as a result of the injury or death.

It is further recommended that you withhold the final payment until you have proof that all Social Security is paid and you receive your “Certification of Liberation” from Seguro Social releasing you from any further liability. If you do not obtain this certificate, you can be liable for five years after the construction of your home for Social Security taxes. The calculation at the time of registration with Social Security is based on the square meters of your project. IF THERE IS AN AUDIT AND SOCIAL SECURITY HAS NOT BEEN PAID OR A WORKER IS INJURED OR KILLED ON YOUR PROJECT, SOCIAL SECURITY WILL CHARGE YOU 37% OF THE APPRAISED VALUE OF YOUR HOME.

These regulations implemented by PDO are meant to protect you, the Owner. It is neither our wish nor desire to suspend, delay or otherwise disrupt the building of your home. We kindly ask for your cooperation in this matter.

Environmental Issues

Portable toilets are required at all jobsites and it has come to our attention that some companies are dumping their waste in the desert as they do not have the permits to use the city treatment plant. The PM has received copies of the permits from San Felipe Disposal SA de CV to legally

dispose of waste in the city treatment plant as well as the certificates for legal disposal of solid waste and construction debris. We recommend this company be contracted for your solid construction debris and black water disposal. If another company is used, the contractor must present the PM the legal certificates to dispose of the waste properly.

Lighting

PDO requires “night sky” friendly (no light shining up, past your property line, or blinding your neighbor) lighting fixtures on the exterior of residences. Any security type fixtures shall be controlled by motion sensors rather than on all the time.

AGREED TO THIS DAY BY:

Name of Homeowner(s) - Printed

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Signature: Homeowner Date Signature: Homeowner Date

Name of Contractor/Builder – Printed

Signature: Contractor/Builder Date

Signature: Contractor/Builder Date

Signature: Representative of Playa de Oro ACC Date

