

BRISAS DE PALERMO

Covenants, Conditions and Restrictions (“CC&Rs”)

This contract is made between Brisas de Palermo, LLC, a California Limited Liability Company (the “Developer”), as owner and developer of “Brisas de Palermo”, situated on Lot “C” in the Lomas de Palermo Residential Community, Municipality of San Juan del Sur, Department of Rivas, Nicaragua, and Buyer _____, of Unit number _____ in said Brisas de Palermo Development.

The Developer will form a Home Owners Association (“BDP HOA”) to enforce and manage these CC&Rs. By virtue of being an owner in the Brisas de Palermo Development, each owner is automatically a member of the BDP HOA and is bound by its bylaws. The BDP HOA Board of Directors has the power to modify these CC&Rs, as well as to levy dues and enforce the rules set forth herein.

The BDP HOA will contract with a Management Company to assist in its day-to-day operation and management of the Brisas de Palermo Development.

Development

The Developer hereby declares that all of the real property located in the development, described as follows:

The Brisas de Palermo Property is held and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied and improved, subject to the CC&Rs set forth herein, meaning the limitations, restrictions, covenants and conditions set forth in this declaration, all of which are declared and agreed to be in furtherance of a plan for the improvement and sale of said real property and are established and agreed upon for the purpose of enhancing and perfecting the value, desirability and attractiveness of said real property, and shall be binding upon and insure to the benefit of Developer and each owner of said real property, and each successor in interest of such owner.

Use and Restrictive Covenants

- (a) The Management Company shall have the right, at any time, with prior notice (where possible), to enter a unit for the purpose of maintaining such unit and the surrounding area or otherwise enforcing the restrictions set forth herein.
- (b) The units shall be used exclusively for residential purposes and no more than one family (including its servants and transient guests) shall occupy each unit.
- (c) No noxious or offensive activity shall be carried on which is, or may become, a nuisance, or cause unreasonable embarrassment, disturbance, or annoyance to other owners in the enjoyment of their units, or in their enjoyment of common areas.

- (d) No animals other than a small number of generally recognized house pets shall be maintained on the property.
- (e) No tree or shrub shall be planted on the property, or removed from it, by anyone except the Developer or the Management Company.
- (f) No signs whatsoever, including without limitation, commercial, political and similar signs, visible from any other unit, shall be erected or maintained upon the property.
- (g) No trailer of any kind, truck camper, or boat shall be kept, placed or maintained upon any common area of the property without prior written approval of the Management Company.
- (h) All garbage shall be placed and kept in covered containers. In no event shall such containers be maintained so as to be visible from any other unit.
- (i) No outside clotheslines or other outside clothes drying or airing shall be permitted.
- (j) No exterior fires whatsoever shall be permitted except barbecues and fires contained within appropriate receptacles provided by the Developer or the Management Company.
- (k) No power, telephone or other utility line (wire or conduit) shall be installed, which would be visible from another unit, except as installed by the Developer.
- (l) No exterior lighting of any sort shall be installed on or around a unit, the light source of which is visible from any other unit, except as installed by the Developer.
- (m) No antennae of any sort shall be installed on or around a unit, which would be visible from any other unit, except as installed by the Developer.
- (n) Any changes to the exterior of a unit shall require prior written approval by the Management Company. Owners shall not alter the outside appearance of their units prior to receiving written approval from the Management Company.
- (o) Owners and their guests shall respect parking restrictions and use their designated parking areas, as assigned by the Developer or the Management Company.
- (p) The Management Company will only enter into a rental service agreement with owners of units for which the furniture package has been purchased from the Developer, and that have signed a written rental services agreement with the Management Company.

Board of Directors

The Board of Directors of the BDP HOA shall consist of three Board Members selected by the Developer. The right from time to time to appoint and remove all members of the Board of Directors shall be, and is hereby reserved to and vested solely in the Developer, until such time when the Developer turns over the election of the Board Members to the

Owners, which shall not be later than two years after delivery and closing of all units in the Brisas de Palermo Development.

The BDP HOA Board of Directors shall have the obligations and duties, subject to the BDP CC&Rs, to maintain or provide for the general maintenance of the units, common area, recreational facilities and all improvements of whatever kind and for whatever purpose to keep them in good order and repair.

The BDP HOA Board of Directors shall be responsible for the selection of, and contract with, a Management Company to provide outsourced property management services, rental management services, and association administration.

The BDP HOA Board of Directors shall be responsible for the adequate funding of the BDP HOA, and the level of, and collection procedure for, the BDP HOA Assessments and fees to be administered by the Management Company.

At such time when the Developer turns over the election of the Board of Directors to the owners, each unit shall have one vote for purposes of electing each Board Member on an annual basis.

Operating Fund and Assessments

Operating Fund

There shall be an Operating Fund, into which the BDP HOA Board of Directors shall deposit all monies paid to it as Assessments. The Operating Fund shall be used by the BDP HOA to operate and maintain the Brisas de Palermo Development.

Assessments

There will be a monthly Assessment on each owner, payable to the BDP HOA Board of Directors. The funds collected from these Assessments will be used for a number of purposes, including providing for the security of common areas, pool and landscape maintenance, common area electric and water bills, homeowners' insurance, general maintenance of common areas and individual units, HOA fees due to Lomas de Palermo, and property taxes due on the common land of Brisas de Palermo.

On a quarterly basis, the Management Company will provide a financial statement to each Owner detailing their unit's share of any Assessments. The owner shall pay the amount due within 30 days of receiving the statement. The statements will be sent out the 15th day following the end of each calendar quarter to the email address indicated by the owner.

Default

Each Assessment shall be a separate, distinct and personal debt and obligation of the owner against whom it is assessed. If the owner does not pay such Assessment or any installment thereof when due, the owner shall be deemed to be in default.

Other Provisions

Amendment or Repeal

The BDP HOA Board of Directors has the right to modify, supplement, or repeal these CC&Rs with respect to any limitation, restriction, covenant or condition herein.

Enforcement; Non-waiver

The BDP HOA Board of Directors shall have the right to enforce any and all of the limitations, restrictions, covenants, conditions, obligations, liens and charges now or hereafter imposed by these CC&Rs upon owners, or upon any property within the Brisas de Palermo Development.

The Developer shall have the right to deny services or access to the property to owners who fail to comply with these CC&Rs or fail to pay Assessments, until such time when the Developer turns over the election of the Board Members to the owners.

The failure to enforce the provisions of any limitation, restriction, covenant, condition obligation, lien or charge of these CC&Rs shall not constitute a waiver of any right to enforce any such provisions.

Obligations of Owners; Avoidance; Termination

No owner, through his non-use of any common area or recreational facility, or by abandonment of his unit, may avoid the burdens or obligations imposed on him by these CC&Rs by virtue of being an owner.

Upon the conveyance, sale, assignment or other transfer of a unit to a new owner, the transferring owner shall not be liable for any assessments levied with respect to such lot after the date of such transfer, and no person, after the termination of his status as an owner and prior to his again becoming an owner, shall incur any of the obligations or enjoy any of the benefits of an owner under these CC&Rs following the date of such termination, providing that the transferring owner obtains a clearance certificate from existing financial obligations to the development and obtains the signature of these CC&Rs by the new owner. Signed CC&Rs must be delivered to the BDP HOA Board of Directors prior to obtaining a clearance certificate.

Acknowledgement

Buyer certifies that (s)he has read and understood these CC&Rs and agrees to abide by all of their stipulations and restrictions. These CC&Rs are also binding on Buyer’s family and guests.

Buyer’s Signature: _____

Buyer’s Name: _____

Date: _____