

RANCHO VILLA REAL

MASTER CONDOMINIUM ASSOCIATION

General summary of covenants, conditions and restrictions

Introduction

Rancho Villa Real is a unique stretch of land in Guanacaste, Costa Rica, which has been acquired, preserved and developed with a vision of maintaining the image of a ranch-style gated community, together with some associated estate lots, secluded in the adjacent hillside woods, known as “Escondido”.

In order to preserve the solitude and ecology of this rural setting; and to provide the security of a gated community with common area services and amenities, all lot owners, as part of Sub-condominium Blocks in the Master Condominium at Rancho become members of the Home Owners’ Association, which establishes a common bond among all property owners. All properties are therefore subject to the general lifestyle standards and building requirements established for this unique setting.

In addition, the adjacent Escondido Home Owners’ Association is also a common property Owner within the Rancho Villa Real Master Condominium; and as a result, all units within both domains benefit from a variety of common community amenities, such as the gated access, security, roads, services, landscaped areas, parkland, clubhouse facilities, etc.

With regard to management and administration, all unit owners within each Sub-condominium have proportionate shares or votes per unit on matters within their own Sub-condominium domain. As well, each Sub-condominium carries proportionate shares or votes towards the overall Master Rancho Villa Real Condominium. In addition, as the adjacent Escondido Association also belongs to the Master Condominium Corporation, the Escondido Association has its proportionate share through a 25% vote within the overall Rancho Villa Real community.

The units or home Owners can change the budgets and policies etc. within their own Sub-condominium Associations that specifically relate to their Sub-condominium domains through their Owner’s Meetings. However, they can only effect changes in the overall Master Rancho Villa Real Condominium Corporation through their Sub-condominium’s proportionate voting share.

The Rancho Villa Real Master Condominium documents establish the Covenants, Conditions and Restrictions, which outline the rules for the relationship between all Sub-condominiums, homeowners and the overall management structure. These covenants also establish the Architectural and Common Area

Committees; and in general, the administrative functions and processes for related matters, for the benefit of all Owners within the Rancho Villa Real community. The Architectural and Common Area Committees are formed by professional representatives appointed by the developer until 85% of the lots within the Master Condominium have been transferred from the Developer to new lot Owners or at an earlier date if deemed appropriate by the Developer. Following that, the Association may review and re-appoint new representatives for future management and administration, if desired.

The Covenants, Conditions and Restrictions of the Association also include the construction regulations and land use restrictions to provide for architectural harmony, along with a construction review and inspection process for the building and land use on each affiliated block. Therefore, all property sold within this community is subject to compliance with all obligations and procedures established under the covenants, conditions and regulations of the Rancho Villa Real Master Condominium.

General Description of Community Regulations

The Rancho Villa Real Condominium community is comprised of 15 development blocks for individual housing enclaves, which are separated by common greenbelt areas. These development blocks have been arranged in land use and density gradations, which provide for a variety of housing types and tenures to purchasers. The development enclaves have been established in architectural and community harmony, allowing development ranging from blocks of 1/2 Acre Lots for single detached residences, to blocks for low-density multiple-unit housing. *(See Plan Attached)*

All development block purchasers in Rancho automatically become members of the Rancho Villa Real Master Condominium. The common areas provided in the Master Condominium include the entry gates and related amenities, fencing, the road system, underground services; sewage treatment plant; green buffer areas, pedestrian trails, parkland and Clubhouse facilities.

All Sub-condominium Owners are obligated to pay a common area maintenance fee to cover their proportionate percentage of the operating costs of the Rancho Villa Real Master Condominium. In this regard, funds are established for administrative and common area maintenance expenses. The maintenance fee is a mandatory amount to be paid regularly by each Sub-condominium to cover the proportional common area maintenance expenses within the Master Condominium. This fee may vary annually, but is subject to approval by the Owners at the Annual Owners' Meeting, where the budget for administration and maintenance expenses is defined, reviewed and approved by the Owners' or their representatives. A reserve fund is also established and shall be paid in advance, for the long-term maintenance, repairs or re-establishment of the overall common area infrastructure and services.

The administration of the Association & Condominium manages all community services such as the provision and general maintenance of common areas and assets. Access to these facilities and services, within the common areas and affiliated properties, is guaranteed by means of an easement for the installation, inspection, alteration, reparation and general maintenance by the affiliated service providers.

Purchasers of all development blocks and the related Sub-condominiums are bound by a series of covenants, conditions and restrictions, which are established in the articles of the Master Condominium documents. Generally, these provisions include, but are not limited to, the preservation of the natural environment; conditions for peace and tranquility; requirements for connection to the necessary services and utilities; conformity to the architectural guidelines and building requirements; lighting restrictions; land use restrictions; preservation of views; parking restrictions; pet controls; rental requirements; protection of common areas; waste management; etc.; and, all of the general management needs relating to the provision of services for the benefit of all members of the Association and Condominium.

Common Areas

The roads within the Master Condominium area are constructed and provided by way of a common area easement. These roads and services are protected for all Owners by easements that are registered on title and by the covenants and restrictions of the Home Owners' Association. The Association and affiliated service providers have the right of access for service and repair of all common area, roads, functions and utilities. Also, all Sub-condominiums and unit owners have the right of access over all roadways and common areas within the Master Rancho Villa Real Condominium.

Following is a list of some of the common area features, which are available for use and enjoyment by all property Owners within the community:

Club Rancho: *This is the common area clubhouse including gym facilities; change rooms / washroom facilities; bar; lounge; outdoor swimming pool; jacuzzi; patio area; covered and open observation deck; indoor and outdoor sitting areas; management office; and parking areas.*

Sendero Chorotega: *This is a natural park trail system, which extends from the front entry of the project to the water feature; to the central park; and on to the Club Rancho facility.*

Parque Mango: *This is a common area park, which is centrally located in the community, including natural open space, landscaping and trails connected to various areas of the community; and, open areas reserved to provide space for possible future park facilities, which may be provided by the Condominium Corporation, should the Owners decide that they wish to provide additional common amenities.*

Entry Gates: *The entry gates and complementary landscape features project a natural, country ranch image and secure, guarded entrance to the community.*

(See Plan enclosed in this package)

Generalized Building & Land Use Provisions

As noted earlier, the 15 development blocks in the Rancho Condominium will be developed as Sub-condominium enclaves for various housing types and tenures. One of the blocks, (Block I) is a greenbelt lot, that is owned by the adjacent Escondido Home Owners' Association, which provides the legal relationship for the two domains of the community to be united to enjoy the common services and amenities along with the related common area cost sharing.

Following is the land use distribution within the Rancho Master Condominium and associated Escondido domains and the related voting shares:



Block #	Block Area		Land Use	Units	Condo Votes
Block A	1.29 ha	(3.18 Ac)	Multiple-attached	26 units	5
Block B	0.88 ha	(2.18 Ac)	Multiple-attached	16 units	3
Block C	1.74 ha	(4.30 Ac)	Single-detached	8 units	5
Block D	0.92 ha	(2.26 Ac)	Single-detached	4 units	3
Block E	0.96 ha	(2.37 Ac)	Single-detached	4 units	3
Block F	2.49 ha	(6.16 Ac)	Single-detached	11 units	8
Block G	0.85 ha	(2.10 Ac)	Single-detached	4 units	3
Block H	1.17 ha	(2.88 Ac)	Single-detached	5 units	4
Block I	0.096 h	(0.24 Ac)	Escondido Lot	N/A	25
Block J	2.10 ha	(5.19 Ac)	Multiple-attached	40 units	8
Block K	1.07 ha	(2.64 Ac)	Multiple-attached	20 units	4
Block L	1.30 ha	(3.20 Ac)	Multiple-attached	24 units	5
Block M	1.44 ha	(3.57 Ac)	Multiple-attached	28 units	6
Block N	0.80 ha	(1.98 Ac)	Multiple-attached	14 units	3
Block O	1.49 ha	(3.68 Ac)	Multiple-attached	36 units	7
Block P	1.75 ha	(4.32 Ac)	Multiple-attached	42 units	8
Total Units	(Rancho Condominium)			282 Units	75
Total Units	(Escondido Domain)			42 Units	25
TOTAL UNITS	(Overall)			324 Units	100

Architectural Provisions

Prior to construction of dwellings on any blocks, or alteration to any private property thereafter, Owners are required to submit plans for approval of the Architectural Committee. This committee is established to ensure that all construction and land use within the Association and Condominium domains are designed and constructed in accordance with the national and municipal policies and laws in force; and in compliance with the specific requirements of the Association.

The Architectural Concept established for the Rancho Villa Real Condominium and associated Escondido domain is “Rancho” Spanish, Colonial Style Architecture, which complements the agricultural setting in Guanacaste and harmonizes with the surrounding natural topographic and landscape features. Rancho Style Architecture is inspired by local colonial architectures that were refined over time to adjust to the local tropical climatic conditions. This architecture is typically characterized by different rooflines, high ceilings and sometimes with enclosed inner patios or gardens. Natural light and ventilation are very important, as well as the integration with surrounding native gardens. Porches and terraces are prominent features, which provide the main living spaces, with the distinctions between outdoors and indoors being minimal. Water features are frequently used and construction materials typically include concrete, stucco, stone and natural woods, with clay tile roofs.

The building approval process for homes on any lots or blocks is initiated through the submission and review of Preliminary Concept & Building Design Plans for approval,

prior to proceeding with the preparation of Detailed Plans, Material Selections and Landscape Drawings. The exterior colors of all buildings and structures shall be whitewash, mild earth tones, or other soft colors, which may be deemed appropriate for conformity by the Architectural Committee. Exterior materials such as wood, brick, stucco and stone are recommended, but their specific use and color applications are subject to Committee approval. In addition, the use of glass doors and numerous windows are appropriate to take advantage of views, ventilation, natural light and to contribute to the overall design of the structure.

Authorized materials for driveways and walkways shall be concrete, brick, interlocking brick or stone, or approved combinations, which may be considered appropriate to the residence and Association domain as approved by the Architectural Committee.

Included in this package are the building and structure requirements, which all construction shall conform to in the Rancho Villa Real Master Condominium. It is understood however, that due to the topographic conditions, concern for views and respect for the preservation of the natural environment, variations to the established standards may be permitted on a site-specific basis, as determined appropriate by the Architectural Committee. While the architectural and construction plans review and approval process is established to guarantee architectural and design harmony throughout the community, the process is intended to be cooperative and expedient, so as to avoid any undue delays.

Summary

The above noted general description of the Rancho Villa Real Master Condominium is intended only as a basic, simple summary of the provisions and regulations for this new, developing rural community. This brief is provided to give prospective purchasers a general understanding of the community design and management for this development. For all accurate details of these provisions, purchasers will be provided with a registered copy of the Association Regulations during the due diligence process of a lot or home purchase, to review all details and documentation of the Covenants, Conditions and Restrictions for specific land use, construction, laws, fees, administration and Association management.

These covenants and regulations will provide all home owners and residents with the assurance that the ambience and tranquility of the woods, views of the countryside, west coast sunsets and common area facilities will be enjoyed by all residents in this Rancho Villa Real countryside community.

Prepared by the Rancho Villa Real Group

