



EL ENCANTO DEL SUR COVENANTS, CODES & RESTRICTIONS

**GG Ventures S.A.
Del Timon una Cuadra al Este
San Juan del Sur, Rivas
Nicaragua**

GUIDELINES OF THE EL ENCANTO DEL SUR COMMUNITY

We will preserve the existing natural environment, the flora, the fauna, the soil, the air, the natural sounds and physical geology.

As homes evolve they will be complementary to the land and be designed with respect for the elements of the landscape. Materials used for building should be natural and fit into the land and environment, not stand apart from it. El Encanto is not a place for grand architectural statements but rather designs that create a sense of community.

These guidelines are designed to protect and preserve the natural character of this special and appealing place while ultimately allowing homes and buildings that will enhance the natural beauty of El Encanto.

Where possible we encourage the utilization of non-fossil fuel energy (solar, wind), the collection of rainwater and the usage of grey water for planting purposes. Compost is encouraged as well. Any electrically powered devices must have all lines buried safely underground.

REQUIREMENTS/RESTRICTIONS AND BUILDING GOALS

1. All lots are restricted to private one-family dwellings, and only one house

shall be built on any lot. All dwellings shall be one story in height unless otherwise specified in the lot map. The maximum height for a one-story house will be six meters and the maximum height for a two-story house will be 9 meters. No towers or structures higher than the height limit for that specific lot are permissible, whether for wind power, solar power, telephonic or Internet service, without ELOA (El Encanto Owner's Association) permission. Houses may be developed in a "pod" format but only as a single-family design. Lots that will support multi-family residences will be indicated and clarified per phase.

2. All owners purchasing lots must commence construction on their lots within three years from the closing date of the purchase of their lots. If, at the end of three years, construction plans have not begun and a contractor has not been hired to build the house, the Developer will have the option to buy back the lot at the original price. If design and/or construction plans have begun, the house must begin actual onsite construction within 3 months of the three-year time limit or the buy-back may commence at that time. The Developer will have six months after the three-year time limit expires to exercise the buy-back option for the lot. If that option is not exercised within that time, then the buy-back option will expire and the Developer will not have the right to enforce the three-year building requirement.
3. If an owner has specific and firm plans to build, but has occurred unforeseen delays, he/she should contact the Developer or ELOA and may be granted an extension, if the delay is valid as deemed by the Developer. This measure isn't meant to be punitive but is included to insure that several years from now, El Encanto will be a community with life as opposed to a development of empty lots.
4. If the original owner sells his lot in less than the 3 year time limit, the new owner shall have two years from the date the lot is purchased by the new owner to begin construction. If the lot is subsequently sold again, the new owner shall have a one year period in which to begin construction.
5. Architectural design approval will be required by ELOA.
6. Plans must be submitted prior to commencement of construction. The intent is NOT to control a certain building style, but rather prevent extreme, out of the ordinary homes that would not in any broad sense, fit

in the neighborhood.

7. No commercial use of lots is permitted without prior approval of the Developer or ELOA unless the lot is specifically designated as a commercially permissible lot.
8. Additional living units for either live-in maids, nannies or occasional guests are allowable. They too must conform to the same architectural styles as outlined above.
9. All grading must be done with minimal impact to the lot and area adjacent to the property and with approved engineering plans designed to prevent excess runoff and erosion. Grading material must be stored with extreme caution and utilized so it does not flow into creek areas, ravines, onto neighboring lots, roads or public area.
10. A setback space of 20' from any property line shall be enforced on all lots with the exception of lots less than 1100 square meters. Those lots 1100 square meters and less will have setbacks of 20' in front and 10 feet on all other sides. No permanent building shall be constructed in this area at any time. Fencing and or walls may be allowed in this space, but must remain 5' back from any property lines and must be lower than 6' in height. Chain link fences are prohibited and homeowners are encouraged to design fencing that blends with the environment, such as "Live" fencing. Razor wire, glass or other similar materials may not be placed on top of the walls. These provisions pertain to green areas as well.
11. The actual house footprint (includes all exterior house walls, but not exterior patio space) may not exceed 35% of the lot's buildable area. Example: if a lot was 150' x 150' square and had 20' setbacks on all sides, its buildable area would be 130' x 130' on all sides. The house footprint could not exceed 35% of this area or 5,915 square feet in total (130x130=total building area x 35% = 5915). Naturally, in lots permitting two stories, a larger house could be built, while maintaining these regulations.
12. All natural greenery, especially trees, is vital to the natural beauty of El Encanto. Accordingly, no trees that have a circumference larger than 6" (at 3' above the ground) shall be trimmed or removed without the prior written consent of ELOA. Trees planted for landscaping purposes may not

be allowed to grow if they could block views. They must be kept trimmed if they encroach on views or the ELOA will trim them, if necessary, at owner's expense.

13. All rubbish shall be stored in suitable containers out of public view. All personal property will be stored within appropriate buildings. Each lot owner will be encouraged to recycle when and wherever possible.
14. An annual Home Owner's Association fee of \$250.00 will be charged to owners of each lot for the general maintenance and upkeep of the tract (road maintenance, security, green area maintenance). This will be assessed at the beginning of each calendar year. Once more than 15 lots have been sold or at least 5 houses built or under construction, the fee will be increased to \$700 per lot. ELOA may vote to increase maintenance fees if deemed necessary.
15. In addition, there will be a one-time "Common Ground" fee of \$300.00 per property for the support of the Encanto Area Resource Trust Habitat (EARTH) Fund. This will support projects that enhance the quality of life for the greater San Juan del Sur community. Examples to date have included contributions to a local micro-investment fund (lends to local small businesses), money to finish a local pre-school and contribution for the new San Juan sports/basketball park. Commission will not be paid on this fee and the fee will be paid separate and apart from the sales price of the lot.
16. Dogs, cats, birds, or other pets in may be kept on the premises, but only insofar as they are not a danger, nuisance or noise problem to others in the community. The intent to bring pets to your property must be made to ELOA prior to their addition to your home. This is a delicate balance between neighbors, domesticated pets and wild animals and involves health and waste issues as well. Our goal is to make this balance work because pets are family. If there are problems the Developer or ELOA will make necessary decisions to resolve any issue. Excessive barking, or growling menacingly are potential problems so please work with all of us to prevent these issues.
17. Where solar power or wind power is utilized, it must be safe, installed professionally and not create a visual or sound blight to neighbors. As more options become available, ELOA will inform all owners of the

recommended systems and costs and assist in a group purchase if desired.

18. Each parcel will be required to carry its own septic system with bio-filtration system allowing gray water to be utilized for irrigation when necessary. Septic systems must also be approved by ELOA before construction.
19. We encourage all owners to establish organic composting systems to fertilize their garden and or personal green areas. Chemical pesticides and/or fertilizers for plant material are prohibited.
20. Swimming pools/spas are acceptable. Solar heating systems are encouraged. Cleaning and filtration systems must minimize any potential harm to the environment. Water will be provided to each lot, and during house construction, will be connected by your contractor with a water meter.
21. Exterior lighting should be minimal. Security lights must be kept to no more than 60 watts of power so as not to interfere with neighbors. Landscape lighting will be limited to low voltage. Excessive noise pollution is not permitted.
22. Enforcement of these restrictions has been delegated to an association that will be elected by individual landowners. Until 50% of land is sold, the Developer, GG Ventures S.A., will vote in place of unsold lots. Additions to this CC&R can be made by 75% agreement through the voting procedure of ELOA.
23. During construction of any house, all building materials and worker camps must be within the area of the owner's lot and not in the roads or common areas. Portable bathrooms must be used by workers. Litter caused by construction is the responsibility of the owner and the builder. Messy construction sites will be warned once and then fined by ELOA when deemed necessary.
24. Please keep El Encanto clean. If you want to plant trees and would like to be certain that they are indigenous to the area, please ask and we will provide you with appropriate answers. We are open to suggestions and can be reached at info@elencantodelsur.com.

25. The Covenants, Codes & Restrictions fulfillment is compulsory and if the landowner breaks any of these requirements GG Ventures S.A. has the option to buy back the lot at the original price, this price will include all improvements made.
26. This CC&R has legal purpose in the seller and owners' origin country and in Nicaragua no matter if it is written in the English language.
27. GG Ventures S.A. and the landowners, in case of any misdemeanor or disagreement, renounce to solve the issue in the Nicaraguan Tribunals. They agree to binding arbitration in order to settle the case expediently. Each party would appoint one arbitrator and will ask a local judge to appoint a third arbitrator in order to be impartial and settle the case expediently. The arbitrator may be of foreign or Nicaraguan citizenship, according to each party's decision.

CONTACT US! Call us at **800-880-1387**
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