

---HOY DIA DE SU OTORGAMIENTO
EXPEDI PRIMERA COPIA CERTIFI
CADA A SOLICITUD DE LAS ---
VEREDAS CORPORATION -----
REPRESENTADA POR JOSE -----
ANTONIO RUBERT DEL VALLE.---
DOY FE.-----

NOTARIO PUBLICO

-----DEED NUMBER: EIGHTY FOUR (84)-----

---DECLARATION OF RIGHTS RESTRICTIONS, CONDITIONS-
AND CONSTITUTION OF RESTRICTIVE COVENANTS AND----

-----ESTABLISHMENTS OF PROVISIONS FOR-----

-----VEREDAS-----

---In the city of San Juan, Commonwealth of
Puerto Rico, this fifth (5th) day of December of
Two Thousand(2000).-----

-----BEFORE ME-----

-----EDWIN ROSAS NOYA-----

---Attorney-at-Law and Notary Public in and for
the Commonwealth of Puerto Rico, with offices in
Centro de Seguros Building, Fourth Floor, Suite
Four Zero Seven (407), Seven Zero One Ponce de
León Avenue, San Juan, Puerto Rico and residence
in San Juan, Puerto Rico.-----

-----APPEAR-----

---AS SOLE PARTY: LAS VEREDAS CORPORATION, a
corporation duly organized under of the
Commonwealth of Puerto Rico, employer's
identification number 66-0531933, herein
represented by MISTER JOSE ANTONIO RUBERT DEL
VALLE, of legal age, single, property owner and
resident of San Juan, Puerto Rico, authorized to
appear herein according to certificate of
Corporate Resolution of December fifth (5th), of
the year two thousand (2000), hereinafter
referred to as "THE COMPANY".-----

---I ATTEST that I personally know the appearing
party, and on his information and my belief as to
his age, status, profession and residence.-----

---The appearing party assures me to be in the full enjoyment and exercise of his civil rights, nothing to the contrary being known to me, and being in my judgment legally competent to execute this instrument, he freely and voluntarily-----

-----**STATES**-----

---**FIRST:** That **THE COMPANY** is the owner of record, with valid, good and marketable fee simple title (Pleno Dominio) of the real property described in Paragraph SIXTH of this Declaration and desires to create thereon a planned residential development community hereinafter referred to as "Veredas" with certain facilities, amenities and services for the use and benefit of all properties owners within such community.-----

---**SECOND:** **THE COMPANY** desires to provide for the preservation of the values and amenities and for the maintenance of common facilities, services and properties; and to this end, desires to subject the real property described in Paragraph SIXTH, to the covenants, restrictions, easements, affirmative obligations, charges and liens, hereinafter set forth, each and all of which is and is hereby declared to be for the benefit of said property and each and every owner of any and all parts thereof.-----

---**THIRD:** **THE COMPANY** deems it desirable, for the efficient preservation of the values and amenities in said community, to create an organization to which it can delegate and assign the power and authority of maintaining and administering and enforcing the covenants and

restrictions covering the same and collecting and disbursing all assessments and charges necessary for such maintenance, administration and enforcement as hereinafter created.-----

---**THE COMPANY** has incorporated under the laws of the Commonwealth of Puerto Rico, a non-profit corporation, Asociación de Residentes de Veredas de Gurabo, Inc. for the purpose of exercising the functions aforesaid, and which are hereinafter more fully set forth.-----

---**FOURTH:** In order to effectively carry out the intent evidenced in the preceding paragraphs, **THE COMPANY** declares that the real properties described in Paragraph SIXTH and such additions thereto as may hereafter be made pursuant to Paragraph SIXTH hereof, is and shall be held, transferred, sold, conveyed, given, donated, leased, occupied and used subject to the covenants, restrictions, conditions, easements, changes, assessments, affirmative obligations, and liens (hereinafter sometimes referred to as ("THE COVENANTS") hereinafter set forth in this deed in Paragraphs FIFTH through SIXTEENTH, both inclusive.-----

---**FIFTH: DEFINITIONS** - The following words and terms when used in this Declaration or any supplemental declaration (unless the context shall clearly indicate otherwise) shall have the following meanings:-----

---**(a)** "Association" shall mean and refer to the Asociación de Residentes de Veredas de Gurabo, Inc., a non-profit corporation organized and

existing under the laws of the Commonwealth of
Puerto Rico.-----

---(b) "The Properties" shall mean and refer to
all the property described in Paragraph SIXTH,
Section A of the Covenants and additions hereof.-

---(c) "Common Properties" shall mean and refer
to real and/or personal property which is
actually transferred to, enjoyed by, deeded to or
leased by the Association and designated as
"Common Properties". The term "Common Properties"
shall also include any real or personal property
which is designated as "Common Property". All
"Common Property" are to be devoted to and
intended for the common use and enjoyment of the
Owners, their families, guests of the Owners,
persons occupying accommodations of Owners on a
tenant basis, and subject to the fee schedules
and operating rules adopted by the Association,
to the extent permitted by law, provided,
however, that any lands, buildings or facilities
which are leased by the Association for use as
Common Properties, shall lose their character as
Common Properties upon the expiration of such
lease.-----

---(d) "Family Dwelling Unit" shall mean and
refer to any improved property, for which a use
or occupancy permit has been issued, intended for
use as a family dwelling, located within the
Properties, and duly recorded and/or presented
for recordation in the Registry of Property of
Puerto Rico, Second Section of Caguas, as a
separate, distinct and individual parcel pursuant
to the execution of a deed of segregation to such

effect.-----

---(e) "Owner" shall mean and refer to the Owner as shown by the records in the Registry of the Property of Puerto Rico, Second Section of Caguas, whether it be one or more persons, firms, associations, corporations, or other legal entities, of fee simple title to any Family Dwelling Unit situated upon the Properties.-----

---(f) "Member" shall mean and refer to all those Owners who are members of the Association as provided in Section A of Paragraph SEVEN hereof.-----

---(g) "Company" shall mean **LAS VEREDAS DEVELOPMENT CORPORATION**, its subsidiaries, affiliates, successors and assigns.-----

---(h) "Intended for Use" shall mean the use intended for various parcels within the Properties as may be designated on the Master Plan for the Properties prepared by or for **THE COMPANY** as the same may be revised from time to time by **THE COMPANY**, or the use to which any particular parcel of land is restricted by covenants expressly set forth or incorporated by reference in deeds by which **THE COMPANY** has conveyed the property.-----

---(i) "Affiliate" shall mean any corporation more than fifty percent (50%) of the voting stock of which is owned or controlled by **THE COMPANY** or its partners and any partnership or joint venture in which **THE COMPANY** or its partners has more than fifty percent (50%) proprietary interest.---

---(j) "Master Plan" shall mean and refer to the

drawing which represents the conceptual plan of
THE COMPANY for the Development constructed
within the property of Veredas, and its housing
units, which is subject to continuing revision
and change. Present and future references to the
"Master Plan" shall be references to the latest
revision thereof.-----

--- (k) "Referendum" shall mean and refer to the
power of all or some specific portion of the
members to vote by mailed ballots on certain
actions by the Board of Directors of the
Association as provided in this Deed and/or the
Association By-Laws.-----

----(l) "Architectural Review Board" shall mean
the person or persons designated from time to
time by the Association to review and approve all
new construction and any alterations and/or
additions to existing structure, exterior color
selection, materials and landscaping of front
yard.-----

--- (m) "DEVELOPMENT" shall mean Veredas.-----

-SIXTH: Section A - Existing Property. The real
properties which are, and shall be held,
transferred, sold, conveyed, given, donated,
eased and occupied subject to these covenants are
described as follows:-----

---PROPERTY "A":-----

----"PARCELA NUMERO UNO (1): RUSTICA: Parcela de
terreno localizada en el Barrio Navarro del
término municipal de Gurabo, con una cabida
superficial de cincuenta punto cuatro mil
ochocientos treinta y siete diezmilésimas de
cuerdas (50.4837 cdas.), equivalentes a ciento
noventa y ocho mil cuatrocientos diecinueve punto
sesenta metros cuadrados (198,419.60m.c.), en
lindes por el NORTE y OESTE con terrenos de la
Administración de Terrenos; por el SUR, con la

calle circunvalación y por el OESTE, con la carretera estatal número novecientos treinta y uno (931)".-----

----PROPERTY "B":-----

---"PARCELA FACILIDADES RECREATIVAS: RUSTICA: Parcela de terreno localizada en el Barrio Navarro del término municipal de Gurabo, con una cabida superficial de ocho punto ciento ochenta y tres diezmilésimas de cuerdas (8.0183 cdas.), equivalentes a treinta y un mil quinientos quince punto cero cinco (31,515.05) metros cuadrados. En lindes por el NORTE, SUR, ESTE y OESTE, con una calle de circunvalación".-----

---PROPERTY "C":-----

---"PARCELA NUMERO TRES (3): RUSTICA: Parcela de terreno localizada en el Barrio Navarro del término municipal de Gurabo, con una cabida superficial de veintitrés punto seis mil ochenta y seis diezmilésimas de cuerdas (23.6086 cdas), equivalentes a noventa y dos mil setecientos noventa y uno punto dieciocho metros cuadrados (92,791.18m.c.), en lindes por el NORTE, ESTE y OESTE, con terrenos de la Administración de Terrenos; y por el SUR, con una calle de circunvalación".-----

---Properties "A" and "B" were acquired by the Company as per Deed number six (6), dated seventeen (17) day of may of the year nineteen hundred ninety nine (1999), before notary public Reynaldo J. Salas Soler, presented and pending recordation at entry number 112 of volume 401 of Gurabo, Puerto Rico Properties Registry, Second Section of Caguas; and Property "C" was acquired per Deed number three (3), dated twenty six (26) day of may of the year two thousand (2000), before notary public Reynaldo J. Salas Soler, presented and pending recordation at entry number 270 of volume 448 of Gurabo, Puerto Rico Properties Registry, Second Section of Caguas.---

---This properties were segregated from a larger property recorded at page 81 of volume 99 of Gurabo, property number 3,524.-----

----Properties "A", "B" and "C" herein above

described shall sometimes be referred to herein as the "Existing Property". **THE COMPANY** intends to develop the Existing Property in accordance with Master Plans prepared by or for **THE COMPANY** and placed on display in its reception and sales office and other areas. **THE COMPANY** reserves the right to review and modify the Master Plan and its housing units at its sole option from time to time based upon its continuing research and design program. The Master Plan shall not bind **THE COMPANY**, its successors and assigns, to adhere to the Master Plan in the development of the land shown thereon. Subject to its right to modify the Master Plans as stated herein, **THE COMPANY** shall convey to the Association properties designated for such use on official Company plans, and in addition, may, at its option, convey to the Association as provided in Paragraph EIGHT those parcels of land designated as properties which may be transferred to the Association on the Master Plans, as in the reasonable exercise of its discretion, if so chooses without regard to the relative location of such portions or sections within the overall plan. **THE COMPANY** shall not be required to follow any predetermined sequence or order of improvements and developments and it may bring within the plan of these covenants additional lands, and develop the same before completing the development of the Existing Property. **THE COMPANY** shall have full power to add to, subtract from or make changes in the Master Plans,

regardless of the fact that such actions may alter the relative voting strength of the various types of membership of the Association.-----

---Section B - Additions and/or Reductions to Existing Property. Land may become subject to or released from this Declaration in the following manner:-----

---(a) Additions - **THE COMPANY**, its successors, and assigns shall have the right, without further consent of the Association, to bring within the plan and operation of this Declaration, additional properties change of density and type of products, according to the developer's vision, developing plans and or ideas, in present or future stages of the development. The additions authorized under this and the succeeding subsection, shall be made by filing at the Registry of the Property of Puerto Rico, Second Section of Caguas, a Public deed with respect to the additional property which shall extend the operation and effect of the covenants and restrictions of the Declaration to such additional property.-----

---The aforesaid public deed may contain such complementary additions and modifications of the covenants and restrictions contained in this Declaration as may be necessary or convenient, in the judgment of **THE COMPANY** to reflect the different character, if any, of the added properties and as are not inconsistent with the plan of this Declaration, but such modifications shall have no effect on the property described in Section A, Paragraph SIXTH above.-----

---(b) Reductions - **THE COMPANY**, its successors and assigns shall have the right, without further consent of the Association, to release from the plan and operation of this Declaration certain undeveloped parcels. The reductions authorized under this subsection shall be made by filing at the Registry of the Property of Puerto Rico, Second Section of Caguas, a Public Deed with respect to such undeveloped parcel(s) releasing same from the operation and effect of the covenants and restrictions of the Declaration.-----

---**SEVENTH:** Membership and Voting Rights in the Association.-----

---Section A: Membership - Every owner shall be member of the Association. **THE COMPANY** shall be a member of the Association.-----

---Section B: Voting Rights - The Association shall have two types of voting membership:-----

---Type A: - Type "A" members shall be all those Owners of Family Dwelling Unit recorded in the Property Registry as individual properties with the exception of **THE COMPANY**. Type "A" member shall be entitled to one vote for each Family Dwelling Unit which he or she owns.-----

---Type "B" - Type "B" member shall be **THE COMPANY**. The Type "B" members shall be entitled to the same number of votes as cumulatively held by all Type "A" members plus one up to December thirty first (31) of the year two thousand twenty five (2025) through **THE COMPANY** may choose to abolish Type "B" membership at some earlier

date.-----

---When any property entitling the owner to membership as a Type "A" member of the Association is owned of record in the name of two or more persons or entities, whether fiduciaries, joint tenants, tenants in common, tenants in partnership or in any other manner or joint or common ownership, or if two or more persons or entities have the same fiduciary relationship respecting the same property, then unless the instrument or order appointing them or creating the tenancy otherwise directs and said instrument or order or a copy thereof is filed with the secretary of the Association, their acts with respect to voting shall have the following effects:-----

---(One) If only one votes, in person or by ----

---(Two) If more than one votes, in person or by proxy, the act of the majority so voting binds all.-----

---(Three) If more than one votes, in person or by proxy, but the vote is evenly split on any particular matter, each fraction shall be entitled to its proportionate share of the vote or votes.-----

---(Four) If the instrument or order so filed shows that any such tenancy is held in unequal interest, majority or even split for purposes of this Paragraph shall be a majority or even split in interest.-----

---(Five) The principles of this Paragraph shall apply insofar as possible, to execution of proxies, waivers, consents or objections and for

the purpose of ascertaining the presence of a quorum.-----

---The voting rights of any owner may be assigned by said owner to his lessee who has entered into a lease with a term of two (2) years or more; provided, however, that the owner may not assign to such lessee any vote or votes not attributable to the property actually leased by such lessee. Type "A", and "B" members are sometimes hereinafter collectively referred to as the "Members".-----

---**EIGHTH:** Property Rights in the Common Properties.-----

----Section A - Member's Easements of Enjoyment in Common Properties. Subject to the provisions of these covenants, the rules and regulations of the Association, and any fees or charges established by the Association, every Type "A" and "B" member shall have a right and easement of enjoyment in and to the Common Properties and such easement shall be appurtenant to and shall pass with the title of every Family Dwelling Unit.-----

---Section B - Title to Common Properties. **THE COMPANY** covenants for itself, its successors and assigns, that it shall convey to the Association by deed those parcels of land provided for in Section D of this Paragraph EIGHTH hereof and any other Common Properties at such time as **THE COMPANY** deems it convenient. All said parcels of land for Common Properties may be conveyed to the Association subject to all restrictive covenants

of record at the time of the conveyance. All Common Properties, either improved or unimproved, may be conveyed to the Association subject to all restrictive covenants of record at the time of the conveyance.-----

---Section C - Extent of Member's Easements. The rights and easements of enjoyment created hereby shall be subject to the following:-----

---(a) The right of **THE COMPANY** and of the Association, in accordance with its By Laws, to borrow money from **THE COMPANY** or any other lender for the purpose of improving and/or maintaining the Common Properties and providing the services authorized herein, an in aid thereof to mortgage said properties; and-----

---(b) The rights of the Association to assume and pay any liens or encumbrances against the properties at the time of conveyance; and-----

---(c) The right of the Association to take such steps as are reasonably necessary to protect the above described properties against foreclosures; and-----

---(d) The right of the Association, as provided in its By Laws, to suspend the rights and easements of enjoyment of any members or tenant for any period during which any assessment remains unpaid, and for any period not to exceed sixty (60) days for any infraction of its published rules and regulations, it being understood that any suspension for either non-payment of any assessment or a breach of the said rules and regulation of the Association shall not constitute a waiver or discharge of the member's

obligation to pay the assessment; and-----

---(e) The right of the Association to charge reasonable admission and other fees for the use of the Common Properties and/or facilities therein to the extent permitted by law;-----

---(f) It is herein established that although all roads and streets within VEREDAS (except those found within private property) are deemed to be public roads and streets under Puerto Rico Law, the Association shall, in the best interest of all its members, endeavor, although not assume the obligation to, repair, rehabilitate, resurface and otherwise maintain said roadways and streets, to provide for the maintenance and clean up of right of ways; to provide drainage along said roadways. The Board of Directors of the Association shall request from the concerned governmental entities the power to place any reasonable restrictions upon the use of roadways and streets within VEREDAS including but not limited to types and sizes of vehicles permitted to use said roads, the maximum and minimum speed of vehicle using the roads even when these shall be more restrictive than the laws of Puerto Rico, this shall not make such restrictions unreasonable.-----

---(g) The right of **THE COMPANY** or the Association by its Board of Directors to dedicate or transfer to any public or private utility, utility easements on-any part of the Common Properties:-----

---Section D - **THE COMPANY** shall convey to the Association, prior two thousand fifteen (2015),

and subject to all the restrictions and limitations of the various Articles of this Declaration, the following properties:-----

---(a) As Common Properties - (One) all walkway and rights of way within the Properties connecting all Family Dwelling Units, and Recreation Facilities, Club House, the security gatehouse, any and other structures on green areas, which **THE COMPANY** may decide to convey to the Association.-----

---(b) Of these Common Properties, **THE COMPANY** expects in compliance with Puerto Rican statutes, to deed or transfer, over a period of years, to the Government of Puerto Rico, roads, circles and accompanying rights of way within the Properties.-----

---**NINTH:** Covenants for Maintenance Assessments.-

---Section A - Creation of the Lien and Personal Obligations of Assessments. **THE COMPANY**

covenants, and each owner of any Family Dwelling Unit by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, be deemed to covenant and agree to all the terms and provisions of this Declaration and to pay to the Association: yearly assessments and/or charges for the purpose set forth in Section B of this Paragraph, such assessments to be fixed, established and collected from time to time as hereinafter provided. The annual and special assessments together with such interest thereon and costs of collection therefor as hereinafter provided,

shall be a charge and continuing lien on the real property and improvements thereon against which each such assessment is made. Each such assessment, together with such interest thereon and cost of collection thereof as hereinafter provided, shall also be the personal obligation of the person who was the owner of such real property at the time when the assessment first became due and payable. In the case of co-owners shall be jointly and severally liable for the entire amount of the assessment.-----

---Section B - Purpose of Assessments. The yearly assessments levied by the Association shall be used exclusively to carry out the functions of the Association as described in Paragraph TENTH of this Declaration entitled "Functions of the Association". In addition, such assessments may be used to make payments of principal and interest as consideration for the purchase by the Association of Common Properties, if such purchase shall be approved in a general meeting of the Members or by referendum as herein provided.-----

---Section C - Assessments. Assessments made to owners of Family Dwelling Units, as defined in Paragraph FIFTH of this Declaration, shall be in accordance with the following schedule:-----

-----**YEARLY ASSESSMENTS**-----

-Family Dwelling Units-----

----ONE THOUSAND TWO HUNDRED DOLLARS (\$1,200.00)-

---These yearly assessments shall be understood to be the maximum yearly assessment for the first year of operation of the Association. After said

first year, the per annum assessments for the Family Dwelling Units shall remain as hereof stated provided they are not reduced or increased by the Association as herein established.-----

---All assessments charged by the Association shall be rounded off to the nearest dollar.-----

---From and after December thirty first (31) two thousand one (2001) the maximum yearly assessment may be increased each year by the Board of Directors of the Association by an amount not in excess of ten (10%) percent per year, unless three fourths (3/4) of the votes cast by Referendum vote or in Members General Meeting against such increase or vote to increase said annual assessment by a greater amount. For the exclusive purpose of this Referendum vote of Sections C & D, **THE COMPANY** shall cast its vote based on the family Dwelling Units it owns at the time of the Referendum Vote. The Board of Directors of the Association may after consideration of current costs and future needs of the Association, fix the yearly assessment for any year at an amount less than the applicable maximum yearly assessment, but such action shall not constitute a waiver by the Association of its right to revert to the full assessment in subsequent years. However, if the Board of Directors fixes such yearly assessment at an amount less than the maximum and subsequently is determined by the Board that the amount assessed will not be sufficient the Board shall have the power to make a supplemental yearly assessments, but in no event shall the sum of the initial and

supplemental yearly assessment in anyone year exceed the applicable maximum, unless approved as herein provided.-----

---Section D - Special Assessments for Improvements and Additions. In addition to the yearly assessments authorized by Section C hereof, the Board of Directors of the Association may levy special assessments, such special assessment (s) not to exceed a sum equal to fifteen percent (15%) of the yearly assessment for such year, for the purpose of defraying, in whole or part, the cost of any construction or reconstruction, unexpected repair or replacement of capital improvements upon the Common Properties including the necessary fixtures and personal property related thereto, or addition to the Common Properties or to provide for the necessary facilities and equipment to offer the services authorized herein, and to repay any loan made to the Association to enable it to perform the duties and functions authorized herein, provided, however, that if the special assessment(s) so levied exceeds a sum equal to fifteen percent (15%) of the yearly assessment for such year, then, in such event the excess thereof shall have the assent of three fourths (3/4) of the votes cast in a Referendum. Such special assessment, in any one year, may not exceed a sum equal to the amount of the maximum yearly assessment, for such year except for emergency and other repairs required as a result of storm, fire, natural disaster or other casualty loss. This provision shall be

interpreted to mean that the Association may make in any one year an yearly assessment up to the maximum set forth in Section C of this Paragraph plus an additional special assessment which additional assessment being considered alone may not exceed the amount set for the maximum yearly assessment.-----

---The Association may establish reserve funds up to twenty percent (20%) of its receipts from its regular yearly assessments to be held in reserve in an interest bearing account or investment as a reserve for (a) major rehabilitation or major repairs and (b) for emergency and other repairs required as a result of storm, fire, natural disaster or other casualty loss.-----

---Section E - Quorum for Any Action Authorized Under this Paragraph. The quorum required for any action authorized to be taken by the Association members under this Paragraph, other than by Referendum, shall be as follows:-----

---The first time any meeting of the members of the Association is called to take action under this Paragraph the presence at the meeting of members or proxies entitled to cast sixty percent (60%) of the total vote of the membership shall constitute a quorum. If the required quorum is not present at such meeting, a second meeting may be called within TEN (10) days, in which subject to the giving of proper notice, the presence of members or proxies entitled to cast fifty percent (50%) of the total vote of the membership of the Association shall constitute quorum. However, such required Fifty Percent (50%) of the total

vote shall be reduced to Twenty Five percent (25%) at such time. when Type B membership no longer remains outstanding.-----

---Section F - Date of Commencement and Proration Yearly Assessments. Due Date. The yearly

assessments provided for herein shall commence on the day of signing of the Deed of Sale of each Family Dwelling Unit not including a sale of a unit or lot to **THE COMPANY**.-----

---Thereafter assessments shall become due and payable on the first ten (10) days of January of each year. The Board of Directors of the Association shall have the power to change the date upon which yearly assessments become due and payable and also to determine the manner of payment of yearly assessments, such as for instance lump sum, monthly, yearly or annual installments and the like, provided, however, that the yearly assessments shall be due and payable at least yearly.-----

---Section G - Duties of the Board of Directors.

---The Board of Directors of the Association shall fix for each assessment period the amount of the assessment for each Family Dwelling Unit and shall, at that time, prepare a roster of the properties and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Member.-----

---Written notice of the assessment shall thereupon be sent to every Owner subject thereto. The Association shall, upon demand at any time, furnish to any Owner liable for said assessment a

certificate in writing signed by an Officer of the Association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence, against all but the Owner, of payment of any assessment therein stated to have been paid.-----

---Section H - Effect of Non Payment of Assessment. The Personal Obligation of the Owner; the Lien, Remedies of Association. If the Assessment is not paid on or before the due date specified in Section F hereof, such assessment with interest thereon at the lesser of, the maximum interest rate permitted by law, or the rate of ten percent (10%) per annum from the due date and cost of collection thereof, as hereinafter provided, thereupon become a charge and continuing lien on the land and all improvements thereon, against which each such assessment is made, on the then owner, its heirs, devisee, personal representatives and assigns. The personal obligation of the Owner, at the time when the assessment first became due and payable to pay such assessment, however, shall remain his personal obligation and shall remain only his personal obligation to his successors in title unless expressly assumed by them.-----

-----If the assessment is not paid within thirty (30) days, of the due date, the Association may bring an action at law against the Owner personally obligated to pay the same and/or initiate judicial proceedings and foreclose the lien against the property, and there shall be added to the amount of such assessment, the cost

of preparing and filing the complaint in such action, and in the event a judgment shall include interest on the assessment as above provided and reasonable attorney's fees to be fixed by the Court together with the costs of the action.-----

---Section I - Subordination of the lien to Mortgages. The lien of the assessments provided for herein shall be deemed subordinate to any recorded mortgage which might encumber any property, unless specifically recorded as an attachment in which case it will have the same priority with respect to future liens as any recorded attachment or lien.-----

---TENTH: Functions of Association.-----

---Section A - **Ownership and Maintenance of Common Properties**. The Association shall be authorized to lease, own and maintain Common Properties and equipment, furnishings, and improvements devoted to the following uses:-----

---(a) for roads or roadways, and parkways along said roads or roadways and land adjacent to public roads throughout the Properties;-----

---(b) for sidewalks, walking paths or trails, and bicycles paths throughout the Properties;----

---(c) for police protection including police stations and/or guard houses and police equipment;-----

---(d) for utility services including water and sewage installations as may be permitted by applicable laws and government regulations;-----

---(e) for providing any of the services which the Association is authorized to offer under Section B of this Paragraph;-----

---(f) for purposes set out in deeds or long term leases by which Common Properties are conveyed or leased to the Association, provided that such purpose shall be approved by the members of the Association as set out in Section C of this Paragraph;-----

---(g) for recreational facilities of any nature and community meeting facilities.-----

---(h) for maintenance of water fountains, sculpture, pavers and landscaping.-----

---(i) for maintenance, improvement and/or reconstruction of the sanitary sewer system already installed in the property.-----

---(j) to maintain, enhance and provide support for the adjacent community or surrounding ward in order to provide for the public image of the Community.-----

---The Association is likewise authorized to own and manage Common Properties.-----

---Section B - Services. The Association shall be authorized to provide the following services:-

---(a) cleanup and maintenance of all roads, roadways, parkways and land adjacent to public highways and other Common Properties within the Properties including but not limited to privacy walls and fences and also all public properties which are located within or in reasonable proximity to the Properties such that their deterioration would affect the appearance of the Properties as a whole;-----

---(b) landscaping and reforestation of roads and parkways, sidewalks and walking paths and any other Common Properties.-----

- (c) lighting of roads, sidewalks and walking paths throughout the Properties.-----
- (d) police protection and security, including but not limited to the employment of police and security devices, operation of a security guard house for access control ("Acceso Controlado"), and control centers for the protection of persons and property within VEREDAS and assistance in the apprehension and prosecution of persons who violate the law of Puerto Rico within the Properties;-----
- (e) garbage and trash collection and disposal; insect and pest control to the extent that it is necessary to supplement the service provided by the state and local governments; -----
- (f) the services necessary to carry out the Association's obligations and business under the terms of this document;-----
- (g) to take any and all actions necessary to enforce all covenants and restrictions affecting the Properties and to perform any of the functions or services or restrictions applicable to the Properties;-----
- (h) to set up and operate an Architectural Review Board.-----
- (i) to conduct recreation, sport, craft, and cultural programs of interest to member, their children and guests;-----
- (j) to construct improvements on Common Properties for use for any of the purpose authorized in Section A of this Paragraph, or as may be required to provide the services as authorized in this Section B of this Paragraph;

---(k) to provide general preventive maintenance, implement flood control programs within the Properties and in general attend to the upkeep of Common Properties-----

---(l) to maintain, improvement and reconstruct, if necessary the sanitary sewer-system.-----

---Section C - Obligation of the Association.----

---The Association shall not be obliged to carry out or offer the functions and services specified in Sections A and B of this Paragraph, except for the operation of a security guard house for access control ("Acceso Controlado") at the entrance of Veredas.-----

---The functions and services to be carried out or offered by the Association at any particular time shall be determined by the Board of Directors of the Association taking into consideration the funds available to the Association and the needs of the **DEVELOPMENT**.

The functions and services which the Association is authorized to carry out or provide may be added or reduced at any time upon the affirmative vote of three fourths (3/4) of the votes cast in Referendum provided, however, that the functions of the maintenance of the main security station at the entrance of **the DEVELOPMENT**, maintaining the landscaping, clubhouse and the passive park shall not be eliminated.-----

---Section D - Additional Authority. In connection with all of the foregoing functions, the Association may improve, maintain, and operate the Common Properties, pay taxes and insurance thereon, construct improvements,

repair, replace and make additions to the Common Properties and Restricted Common Properties, make payments for the cost of labor, equipment, materials, management and supervision necessary to carry out its authorized functions, and other charges connected with loans made to, or assumed by the Association including mortgages covering Common Properties at the time of conveyance of the Association.-----

---**ELEVENTH: Easements and Restrictions**-----

---(a) Landscaping on the front yard shall be review by Architectural Review Board. All houses shall have a properly maintained front yard landscaping at all times.-----

---No building, exterior wall, fence, gazebo, terrace, swimming pool, or other structure shall be commenced, erected or maintained upon a Family Dwelling Unit; nor shall any exterior addition to any such existing structure or change or alteration therein, be made until the plans and specifications are there for showing the nature, kind, shape, height, materials, colors and location of the same shall have been submitted to and approved in writing by Architectural Review Board, in the manner and form stated in Paragraph Twelve of this Declaration. Such approval shall be based on the construction guidelines established from time to time by the Architectural Review Board as well as the aesthetical fitness of the proposed construction which should be in accordance with the high quality residential project of **the DEVELOPMENT**.--

---(b) There shall not be maintained any plants

or animal, device or thing, of any sort, whose normal activities or existence is in any way noxious, dangerous, unsightly, unpleasant or, of a nature, which may diminish or destroy the enjoyment of other property in the neighborhood by the owners or residents thereof. The Association, through its Board of Directors, shall determine whether a violation to this provision has occurred without this precluding the right of any Family Dwelling Unit owner to seek judicial remedies.-----

---(c) Each Family Dwelling Unit owner shall provide receptacles for garbage in a screened area not visible from the road. Underground garbage receptacle or similar facility shall not be placed in the planting strip.-----

---(d) No commercial sign, shall be erected or maintained on any Family Dwelling Units. No Satellite Dish Antennae shall be placed on top of the Family Dwelling Unit, (except as otherwise allowed by the Federal Telecommunications Act of nineteen hundred ninety six (1996) and its implementing regulations).-----

---(e) All Fences in Family Dwelling Units will require the prior approval of the Architectural Review Board, before their installation. Fences must be located within the boundaries of a lot or at the dividing line between lots, and may not surpass the boundaries of the front wall of the house.-----

---(f) No sign of any kind shall be displayed to the public view on any Family Dwelling Unit except one sign of not more than five square

feet advertising the property for sale or rent. During the initial construction and sales period **THE COMPANY** may use other signs and displays to advertise the merits of the property for sale or rent.-----

---(g) No trucks, vans, trailers, boats, or any vehicle other than passenger cars will be permitted to park on streets.-----

---(h) No commercial activity which includes and is not limited to industry, profession of any kind, religious, educational, or other wise, designated for profit, or not for profit, except that the company may designate commercial areas in its Master Plan, shall be carried out in any Family Dwelling unit.-----

---(i) All Family Dwelling units within the neighborhood areas shall be used for residential purposes exclusively.-----

---(j) The restricted area is identified as the strip of land located on the south boundary of Lots one (1) through seven (7), both inclusive and the strip of land located on the north boundary of Lots forty eight (48) to fifty eight (58), both inclusive. Said restricted area may be affected to some encroachments and overlappings caused by some of the residents of Veredas. The Association shall receive and accept said Area from **THE COMPANY** on an "AS IS" condition and if said Association deems it necessary it shall pursue at its own cost and expense any legal action or otherwise against said residents of Veredas. Said Area shall be maintained at all times by the Association. The

following uses or activities shall be prohibited to all persons except the Association to wit: (a) construction or Improvements of any nature including Fences, berms, landscaping and pedestrian paths without the prior written approval of the Association and/or **THE COMPANY**; (b) dumping or placing soils or other substances such as trash or hazardous materials; (c) damages to, or removal or destruction of ground cover, or vegetation; and (d) any other use or activity which may be detrimental to drainage, flood control, water conservation, erosion control, or the appearance of said restrictive area, as determine by the Association. The restricted area identified above is part of an integrated drainage plan. Unauthorized modifications or uses may cause drainage malfunction. **THE COMPANY** and/or the Association may enter into an agreement with one or more of the Owners of the lots identified in this paragraph which would obligate such Owners to have primary responsibility for all or a portion of the restricted area, reserving the Association the right of entry for purposes of maintenance, upon the Owner's failure to maintain the same, and such Owner shall be liable for the costs, all as provided by such agreement.-----

---The Association and its authorized agents shall be permitted access for the purpose of maintaining the restrictive area. Use or entry of other persons, except as may be authorized by **THE COMPANY**, is prohibited.-----

---TWELVE: Architectural Control:-----

----(a) The Architectural Review Board. An Architectural Review Board shall be constituted for the Project. The Architectural Review Board shall be composed of three (3) natural persons, designated by the Association. The initial members of each Architectural Review Board shall be designated by the Company within thirty (30) days from the date that one of the Units of The Project have been sold to unit owners. Notice of designation of members to the Architectural Review Board shall be made by each party making such designation to the other parties.-----

----The members of the Architectural Review Board shall serve without compensation.-----

---The affirmative vote of a majority of the members of the Architectural Review Board shall be required in order to adopt or promulgate any rule or regulation, or to make any finding, determination, ruling or order, or to issue any permit, consent, authorization, approval or the like pursuant to the authority contained in this Article. No such rule, regulation, finding, determination, ruling, order, consent, authorization, statements, criteria, or the like shall be construed as a substitution or amendment of the provisions of this Deed.-----

----(b) Approvals. Upon the approval by the Architectural Review Board of any plans and specification, or Construction Drawings submitted to it pursuant to the provisions of this Deed, a copy of such plans and specifications, or Construction Drawings, as approved, shall be

deposited among the permanent records of the Architectural Review Board and a copy of such plans and specification, or Construction Drawings bearing such approval, in writing, shall be returned to the applicant submitting the same. In the event that the Architectural Review Board fails to approve or disapprove any plans and specifications, or Construction Drawings submitted to it within forty-five (45) days after such plans and specifications, or Construction Drawings (and all other materials and information required by the Architectural Review Board) have been submitted to it in writing, then approval will not be required and this Paragraph will be deemed to have been fully complied. The decisions of the Architectural Review Board shall be final and unappealable.-----

---(c) Limitations. (i) Development, construction, or alterations in accordance with plans and specifications, or Construction Drawings approved by the Architectural Review Board pursuant to the provisions of this Deed shall be commenced within one(1) year following the date upon which the same was approved by the Architectural Review Board (whether by affirmative action or by forbearance from action). In the event that such development, construction, or alteration is not commenced within the period aforesaid, then approval of the plans, specifications, or Construction Drawings by the Architectural Review Board shall be conclusively deemed to have lapsed and new approvals shall again be required. There shall

be no deviations from plans, specifications, or Construction Drawings approved by the Architectural Review Board without the prior consent in writing of the Architectural Review Board. Approval of any particular plans, specifications, or construction drawings shall not be construed as a waiver of the right of said Architectural Review Board to disapprove such plans, specifications, or Construction Drawings or any elements or features thereof, in the event such plans, specifications, or Construction Drawings are subsequently submitted for use in any other instance.-----

---(ii) With respect to alterations to Family Dwellings Units or Accessory Building(s) that required the approval of the Architectural Review Board as provided above, such alteration such alteration shall be substantially completed within twelve (12) months following the date of commencement, or within such longer period as the Architectural Review Board shall be in its approval.-----

---(d) Certificate of Compliance. Upon the completion of any development, construction or alteration of other Improvements or structures in accordance with plans, specifications, or Construction Drawings approved by the Architectural Review Board, issuing said approval shall, at the request of the owner thereof, as the case may be, issue a certificate of compliance that shall be prima facie evidence that such development, construction, alteration or other improvement referenced in such

certificate have been approved by the Architectural Review Board and constructed or installed in full compliance with the provisions of this Deed.-----

----(e) Rules. The Architectural Review Board shall from time to time adopt and promulgate such rules and regulations regarding the form and content of plans and specifications, Construction Drawings, to be submitted for their approval and shall publish from time to time such statement of policy, standards, guidelines, and schedule of reasonable fees for review and establish such criteria relative to architectural styles or details, or other related matters, as it may consider necessary or appropriate from time to time. No such rules, regulations, statement, criteria or the like shall be construed as a waiver, substitution or amendment of the provisions of this Deed.-----

---(f) Liability of the Architectural Review Board. Neither the Company, the Architectural Review Board, the Association, nor their respective successors, shall be liable in damages to anyone submitting plans, specifications, or Construction Drawings to them for approval by reason of mistake in judgement, negligence, or nonfeasance arising out of, or in connection with the approval or disapproval or failure to approve any such plans, specifications or drawings. Every person who submits plans for approval agrees, by submission of the plans, that he or she will not bring any action or suit against any of the above parties to recover damages and

further agrees to execute a written instrument to such effect at the time of the aforesaid submission. In case of any conflict between any plans approved by the Control committee and the Covenants, the Covenants shall prevail.-----

---**THIRTEEN:** - Duration. The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, **THE COMPANY** or the owner of any land subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a period of thirty (30) years from the date this Declaration is recorded. Upon the expiration of said thirty (30) years period this Declaration shall be automatically renewed for ten (10) year periods until such time the covenants and restrictions are eliminated by the Owners as hereinafter provided. The covenants and restrictions may be eliminated by affirmative vote of three fourths (3/4) of the total members of the Association. It shall be required that written notice of any meeting at which such a proposal to terminate this Declaration is to be considered, setting forth the fact that such a proposal will be considered, shall be given at least thirty (30) days in advance of said meeting. In the event that the Association votes to terminate this Declaration, the President and Secretary of the Association shall execute a Public Deed which shall set forth the resolution of termination adopted by the Association, the date of the meeting of the Association at which

such resolution was adopted, the date that notice of such meeting was given, the total number of votes on Members of the Association, the total number of votes required to constitute a quorum at a meeting of the Association.-----

---Section B - Amendments. This Declaration can be amended at any time provided that three fourths (3/4) of the members of the Association, either by Referendum or at a duly called meeting of the Association vote in favor of the proposed amendment in the event the amendment is requested through a duly called meeting at which such proposed amendment is to be considered. If any proposed amendment to this Declaration is approved by the Members as set forth above, the President and Secretary of the Association shall execute a Deed of Amendment to this Declaration which shall set forth the amendment, and if the amendment was requested through a meeting, the date of the meeting at which such amendment was adopted, the date that notice of such meeting was given the number of votes of Members of the Association, the number of votes necessary to adopt the amendment and the total number of votes cast against the amendment. Such Deed of Amendment shall be recorded in the Registry of the Property of Puerto Rico, Second Section of Caguas.-----

---**THE COMPANY** may amend this Declaration without the consent of the membership for the following purposes only:-----

---(a) to lessen the number of votes which the Type B member shall have in proportion to the

number of votes of all other members of the Association;-----

---(b) to incorporate in this Declaration a specific list of amenities to be conveyed by **THE COMPANY** to the Association, which list shall include all of the items previously set forth herein, and which list may include the specific dates before which said items shall be transferred to the Association and any conditions upon which they will be transferred;-----

---(c) to take the action referenced in Paragraph SIXTH B of this Declaration pertaining to Existing Properties;-----

---(d) for any other purpose which requires a greater contribution by **THE COMPANY** to the Association or which lessens the role of **THE COMPANY** in the operation of the Association and increases the role of the other members.-----

---In addition, **THE COMPANY** may amend this DECLARATION for any purpose whatsoever without the consent of the members, up to the thirty first (31st.) of **DECEMBER TWO THOUSAND TWENTY FIVE (2025)**.-----

----Section C - Notice. - Any notice required to be sent to any Member under the provisions of the Declaration shall be deemed to have been properly sent, and notice thereby given, when mailed, with the proper postage affixed, to the last known address of the person or entity who appears as Owner in the public records of the Registry of the Property of Puerto Rico, Second Section of Caguas, as of the first day of the calendar month

in which said notice is mailed. Notice to at least one co-owner of a Family Dwelling Unit, shall constitute notice to all co-owners. It shall be the obligation of every Member to immediately notify the Secretary of the Association in writing of any change of address. Any person who becomes an Owner and Member following the first day in the calendar month in which said notice is mailed shall be deemed to have been given notice if notice was given to his predecessor in title.-----

---Section D - Enforcement. - Enforcement of these covenants and restrictions shall be made against any person or persons for violating or attempting to violate or circumvent any covenant or restriction, either to restrain violation or to recover damages, and against the land and to enforce any lien created by these covenants; and failure by the Association or any Owner or **THE COMPANY** to enforce any covenant or restriction herein contained for any period of time shall in no event be deemed a waiver or estoppel of the right to enforce same thereafter.-----

---Section E - Severability. - Should any covenant or restriction herein contained, or any Paragraph, Section, Subsection, sentence, clause, phrase or term of this Declaration be declared to be void, invalid, illegal, or unenforceable, for any reason, by any law or by the adjudication of any court or other tribunal having jurisdiction over the parties hereto and the subject matter hereof, such judgment shall in no way affect the other provisions hereof which are hereby declared

to be severable and which shall remain in full force and effect.-----

----Section F - Interpretation. - The Board of Directors of the Association shall have the right to determine all questions arising in connection with this Declaration of Covenants and Restrictions and to construe and interpret its provisions, and its good faith determination, construction, or interpretation shall be final and binding. In all cases, the provisions of this Declaration of Covenants and Restrictions shall be given that interpretation or construction that will best tend toward the consummation of the general plan of improvements.-----

---Section G - Authorized Action. - All actions which the Association is allowed to take under this instrument shall be authorized action of the Association if approved by the Board of Directors of the Association in the manner provided for in the By Laws of the Association, unless the terms of this instrument provides otherwise.-----

---**FOURTEENTH:** **THE COMPANY**, its successors and assignees, shall not, in any manner or form, be held legally responsible to members, their successors and assignees, or third parties, if due to governmental action, be it Federal or Commonwealth, or any political subdivision thereof, whether such action is direct or indirect, **THE COMPANY** was unable to perform as provided in this Deed of Declaration of Covenants and Restrictions.-----

---**FIFTEENTH:** The appearing party do hereby

request the Register of the Property, Second
Section of Caguas, to record this Deed so that
hence forth proper notice thereof shall be
available to third parties. Same shall become
effective from the date it is filed.-----

---**SIXTEENTH:** For purposes of their recordation
in the corresponding Property Registry, the
easements therein constituted are valued in the
amount of **ONE HUNDRED DOLLARS, (\$100.00)**.-----

-----**ACCEPTANCE**-----

---I, the Notary, do hereby certify that I
advised the appearing party of the legal effect
of the present deed, who waiver his rights to
have attesting witnesses in this instrument,
after having duly advised him of such right.-----

-I Notary, also certify and attest that this
document was read by the appearing party and
having found it in accordance with his wishes and
instructions he approves and ratifies the content
hereof and signs before me placing his initials
on each and every page of the original of this
Deed.-----

---I further certify and attest that the
appearing party and I know and fully understand
the English and Spanish languages and also attest
as to my personal acquaintance to the appearing
party and to his personal qualifications.-----

---TO ALL OF WHICH, under my signature and seal,
signing and sealing the same according to Law, I
the undersigned Notary, ATTEST.-----