



CAGUASREAL

HOME RESORT

La pasión por el buen vivir...

ESCRITURAS SOBRE
CONDICIONES RESTRICTIVAS
Y DERECHOS DEL
COMPRADOR DE VIVIENDA

-----NUMBER NINETEEN (19)-----

----- DEED OF DECLARATION OF RESTRICTIVE -----
----- COVENANTS AND CONDITIONS -----

---In the City of San Juan, Puerto Rico, this
seventeenth (17th) day of May, two thousand
two(2002). -----

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

---CARLA OLLER RODRIGUEZ, Attorney-at-Law and Notary
Public in and for the Commonwealth of Puerto Rico,
with offices located on the fifth floor (5th) of Two
Hundred Fifty-Two (252) Ponce de León Avenue, Hato
Rey, Puerto Rico, and residence in San Juan, Puerto
Rico. -----

----- APPEARS -----

---AS THE PARTY OF THE SOLE PART: CAGUAS REAL S.
EN C. POR A., S.E., employer identification number
66-0556580, a partnership organized and existing
under the laws of the Commonwealth of Puerto Rico
(hereinafter "CR Partnership"), represented by its
General Partner, Caguas Real, Inc., a corporation
duly organized and existing under the laws of the
Commonwealth of Puerto Rico, represented herein by
its President, José Miguel Ventura Asilis, also
known as José M. Ventura, of legal age, married,
engineer and resident of San Juan, Puerto Rico, who
is duly authorized to appear in this Deed pursuant
to a corporate resolution authorized on May
seventeenth (17th), two thousand two (2002) before
the subscribing Notary Public under affidavit
number two hundred sixteen (216). -----

---I, the Notary, certify that I personally know
the appearing party and by its statements and my
belief, I attest as to his age, civil status



profession and residence. He assures me that he has, and in my judgment he does have, the necessary authority and legal capacity to execute this instrument, and therefore he freely -----

----- STATES -----

---FIRST: The Home Resort Property: CR Partnership is the owner in fee simple ("pleno dominio") of that certain parcel of land located in the Turabo Ward of the municipality of Caguas, Puerto Rico (hereinafter referred to as the "Home Resort Property") described in the Registry of Property of Puerto Rico, Caguas Section (the "Registry") as follows: -----

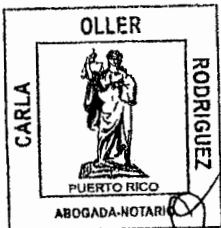
---Rústica: Parcela de terreno en forma irregular radicada en el Barrio Turabo, del término municipal de Caguas, Puerto Rico, compuesto de ciento treinta y seis punto ochenta y cinco cuerdas (133.85 cdas.) equivalentes a quinientos treinta y siete mil ochocientos setenta y cuatro punto seis mil trescientos setenta y ocho metros cuadrados (537,874.6378 m.c.). En lindes por el NORTE, con el remanente de parcela de la cual se segregara propiedad de Caguas Real S. en C. por A., S.E. y parcela segregada denominada Parcela de Golf propiedad de Caguas Real Hospitality Development Corp., por el ESTE, con el remanente de parcela de la cual se segrega propiedad de Caguas Real, S. en C. por A, S.E. y reserva forestal dedicada de la misma finca; y por el OESTE, con parcela segregada y denominada Parcela de Golf perteneciente a Caguas Real Hospitality Development Corp., remanente de parcela de la cual se segrega propiedad de Caguas Real, S. en C. por A., S.E. y el Río Turabo. ----

---The Home Resort Property was formed by segregation pursuant to deed number seven (7) executed on May seven (7), two thousand two (2002) before Notary Public Javier Vázquez Morales, presented and pending recordation at Entry 85, Book 1010 of the Book of Daily Entries of the Registry.

-----The Home Resort Property is subject to the following liens and encumbrances: -----

-----I. By its origin, it is subject to the

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following liens and encumbrances:-----

----- (a) Right of way easement in favor of Eastern Sugar Associates;-----

----- (b) Right of way easement in favor of Puerto Rico Aqueduct and Sewer Authority;-----

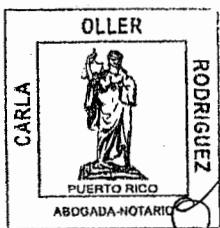
----- (c) Mortgage to guarantee payment of a promissory note in the principal amount of Five Hundred Eighty-Three Thousand Five Hundred Seventy-Six Dollars (\$583,576), constituted pursuant to Deed Number Forty-Seven (47) executed in San Juan, Puerto Rico on May five (5), Nineteen hundred ninety-seven (1997) before Baldomero Collazo Salazar, recorded in the Registry of Property at page 164 of volume 1,380. Such mortgage was canceled pursuant to Deed Number One hundred eighty-eight (188), executed in San Juan, Puerto Rico on December twenty-one (21), nineteen hundred ninety-nine (1999) before Notary Baldomero Collazo Salazar, filed and pending recordation at entry 76 of volume 905 of the book of Daily Entries of the Registry;-----

----- (d) Mortgage to guarantee payment of a promissory note in the principal amount of One Million Dollars (\$1,000,000), constituted pursuant to Deed Number Seventy-Six (76) executed in San Juan, Puerto Rico on May thirty-one (31), Nineteen hundred ninety-six (1996) before Baldomero Collazo Salazar, recorded in the Registry of Property at the overleaf of page 277 of volume 751. Such mortgage was subordinated in favor of a mortgage in the principal amount of Twenty-five Million Dollars (\$25,000,000) pursuant to Deed Number One hundred eighty-nine (189), executed in San Juan, Puerto

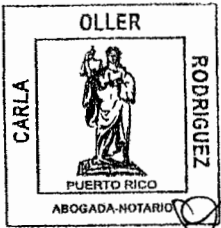
Rico on December twenty-one (21), nineteen hundred ninety-nine (1999) before Notary Baldomero Collazo Salazar, filed and pending recordation at entry 77 of volume 905 of the book of Daily Entries of the Registry;-----

----- (e) Mortgage to guarantee payment of five promissory notes in the total principal amount of One hundred Fifty Thousand Dollars (\$150,000), each promissory note guarantees Thirty Thousand Dollars (\$30,000) constituted pursuant to Deed Number Eleven (11) executed in Caguas, Puerto Rico on February two (2), nineteen hundred ninety-six (199) before Notary Juan A. Navarro, recorded in the Registry of Property at the overleaf of page 174 of volume 727. Such mortgage was partially canceled pursuant to (i) Deed Number Seventy-Eight (78), executed in Caguas, Puerto Rico on September three (3), nineteen hundred ninety-eight (1998) before Notary Juan A. Navarro, recorded at the overleaf of page 174 of volume 727, and (ii) Deed Number Ten (10) executed on February three (3), two thousand (2000) executed in Caguas, Puerto Rico before Notary Juan A. Navarro. -----

----- (f) Mortgage to guarantee payment of five promissory notes in the total principal amount of Twenty-five Million Dollars (\$25,000,000), constituted pursuant to Deed Number Forty-Seven (47) executed in San Juan, Puerto Rico on June seventeen (17), nineteen hundred ninety-nine (1999) before Notary Public Manuel Correa Calzada, recorded in the Registry of Property at page 81 of volume 1529. Such mortgage was amended to increase its principal amount to a total of Thirty-Five -----



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Million Dollars pursuant to Deed Number Fourteen (14) of March thirty (30), two thousand one (2001) executed in San Juan, Puerto Rico before Notary Public Manuel Correa Calzada, filed and pending recordation at entry 237 of volume 963 of the book of Daily Entry and Deed Number Forty-Four (44) executed in San Juan, Puerto Rico on June twenty-seven (27), two thousand one (2001) before Notary Public Manuel Correa Calzada, filed and pending recordation at entry 157 of volume 974 of the Book of Daily Entries;-----

----- (g) Right of way easement constituted pursuant to Deed Number Two (2) executed in San Juan, Puerto Rico on May sixteen (16), two thousand (2000) before Notary Public Javier Vazquez Morales, filed and pending recordation at entry 228 of volume 917 of the Book of Daily Entries;-----

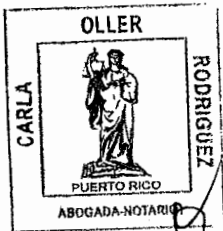
----- (h) Right of Way Easement in favor of the Golf Property, constituted pursuant to Deed Number Eighteen (18) executed in San Juan, Puerto Rico on October thirty-first (31st) two thousand (2000) before Notary Javier Vazquez Morales, filed and pending recordation at entry 259 of volume 939 of the Book of Daily Entries.-----

-----II. By itself, it is free of liens and encumbrances.-----

----- THE COVENANTS -----

---SECOND: Purpose of Covenants. CR Partnership acknowledges and agrees that the Home Resort Property is located within that certain development located in the municipality of Caguas commonly referred to as Caguas Real (the "Area") which is a

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master-planned resort community which will include various first-class residential communities, a hotel, an 18-hole golf course, together with other amenities and facilities, all of which complement each other to enhance the quality of life and the pursuit of its enjoyment. Accordingly, CR Partnership agrees to constitute these Restrictive Covenants in order that the Units to be located within the Home Resort Property in the residential project (the "Project") be compatible with the Area's aesthetic and architectural qualities, design, and architectural style. -----

----In accordance with and in addition to the purposes stated herein, CR Partnership desires to develop the Project in a manner that is compatible with other resort communities to be developed in the Area; to promote the general welfare of the owners of the Units; and to preserve the values and amenities of the Project and the Area. -----

---NOW, THEREFORE, in furtherance thereof, CR Partnership hereby declares that the Home Resort Property, and the Units, together with such structures, amenities and additions thereto as now exist or as may hereafter be made, are and shall be held, transferred, sold, conveyed, encumbered, used, occupied and improved, subject to the conditions, standards, covenants, restrictions, easements, reservations and charges (hereinafter referred to as the "Covenants and Restrictions") contained in this Deed, all of which are declared and agreed to be in furtherance of a plan for the development of the Project and the Units, and are

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established and agreed upon for the purpose of enhancing the value, desirability and attractiveness of the Project, the Area, the Units and every part thereof, as hereinafter set forth. All of the Covenants and Restrictions shall run with the Home Resort Property and the Units, and shall be binding on all parties having or acquiring any right, title or interest in the Home Resort Property and the Units or any part thereof, and shall be for the benefit of the owner of the Home Resort Property and the Units; and shall inure to the benefit of and be binding upon each successor in interest of the owners of the Home Resort Property and the Units. The Covenants and Restrictions are as follows: -----

----- ARTICLE I -----

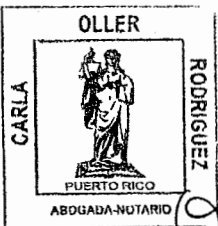
----- Definitions -----

-----Section One. The following words, when used in this Declaration, shall have the following meanings: -----

----- (a) "Accessory Building" shall mean a tool shed or workshop, a storage shed, a hothouse or greenhouse, independent terrace or gazebo or other structure other than a Dwelling (as said term is herein defined), temporary or permanent, erected, installed or maintained within the boundaries of the Unit. -----

----- (b) "Association" shall mean the association of Unit Owners for the Project constituted in accordance with the terms and requirements of Section Four (4) of Article II of this Deed. -----

----- (c) "Architectural Review Council" shall



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mean the Architectural Review Council authorized pursuant to Deed Number Three (3) ("Deed Number Three") executed on May fifteenth (15th) two thousand two (2002) before Notary Public Gilberto Maymí Pérez (the "ARC"). -----

----- (d) "Design Guidelines" shall mean the Design Guidelines imposed from time to time by the "ARC". -----

----- (e) "Dwelling" shall mean a building or structure constructed, designed or used for single-family occupancy. -----

----- (f) "Home Resort Property" shall hereafter mean the Home Resort Property described in paragraph First hereof, and any additions or reductions thereto, where the residential project to be known as Vistas Reales shall be constructed, located within the Caguas Real master-planned resort community; which shall be subject to the Covenants and Restrictions constituted by this Deed. -----

----- (g) "Improvement" shall mean any modification to the Unit or the Dwelling, including, but not limited to, any Accessory Building or a drive, sidewalk, fence, wall, landscaping, hedges, lawns, gazebo, terrace, waterlines, septic tanks, swimming pool or other structure of any kind or nature whatsoever (other than a Dwelling) or any earth movement, that may constitute a change from the natural configuration, condition and elevation of the Unit or the Dwelling as of the date of its delivery to the Unit Owner by CR Partnership. -----



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----- (h) "Unit" shall hereafter mean any portion of the Home Resort Property which shall be subject to individualization and sale pursuant to the terms of this Deed, consisting of a lot upon which a Dwelling is constructed. -----

----- (i) "Unit Owner" shall hereafter mean the record owner in fee simple ("pleno dominio") title to any Unit, whether a corporation, partnership, trust, association, or individual, or any successors or transferees thereof, but shall not mean or refer to a mortgagee unless and until such mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure. -----

----- (j) "Recreational Facilities" shall mean the swimming pool, tennis courts, basketball court, recreational facilities for children, the structure or gazebo with its basic facilities, including any and all equipment necessary for the adequate operation of said facilities and its enjoyment thereof by the Unit Owner. The Association shall establish particular rules regulating the use and enjoyment these facilities. -----

----- (k) "Common Property" shall mean the roads or streets, sidewalks, walkways, planting strip, landscaping on or adjacent to any and all of the above pertinent to and within the area destined to the individual residential units, the recreational facilities, the guard house and access gate providing access to the Units, walls and fences installed on common property, and all perimeter fences and external wall(s), that are or that in

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the future may be constructed along the boundaries of the area of the Units and or the Recreational Facilities. The term "Common Properties" shall also include any real or personal property acquired by the Association or if said real or personal property is designated as Common Property. All Common Property, unless otherwise provided herein, is to be devoted to and intended for the common use and enjoyment of the homeowners, their families, guests of the homeowners, persons occupying individual residential units of the homeowner as a guest or on a tenant basis, subject to the fee schedules and operating rules adopted by the Association and/or the CR Partnership, 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. -----

----- ARTICLE II -----

----- Use Restrictions and Covenants -----

-----Section One. Duration. The Covenants and Restrictions shall run with and bind the Home Resort Property and the Units and, except where otherwise provided, shall inure to the benefit of and be enforceable by CR Partnership, the Unit Owners, the Association, and their respective legal representatives, heirs, successors, and assigns, and run perpetually with the title of the Home Resort Property and the Units from the date this Deed is filed for recordation in the Registry.

-----Section Two. Amendments. The Covenants and



Restrictions may be amended from time to time only by public deed, effective upon the recording in the corresponding Registry of Property thereof, executed by (a) all of the Unit Owners, and (b) CR Partnership, while the Project is still under development, provided that written notice of the proposed amendment or amendments is sent to the above mentioned parties at least ninety (90) days in advance of any action taken, pursuant to the provisions of regulations adopted by the Association. -----

-----Section Three. Restrictions.-----

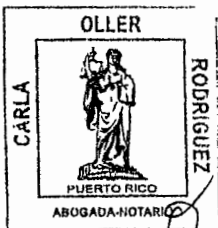
-----(a) Retaining Wall. No construction of any kind shall be performed on the retaining walls built by CR Partnership, other than the structures or construction CR Partnership may realize during the development of the Project, including, without limitation, the construction of any extension of the retaining wall in blocks or concrete. Any construction which may be carried out within the Project or Unit shall be located not less than ten (10) feet away from said retaining wall. -----

-----Moreover, the ground level within ten (10) feet of the retaining wall shall not be altered or modified in any way. -----

-----(b) No structure or construction of any kind shall be erected or constructed within the Units or the Home Resort Property which may affect the rights of way constituted or required to be constituted therein. -----

-----(c) Trash. Trash shall be stored within the Unit, in underground trash bins or other trash

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containers, or in the areas set aside at the Project for such purpose, if any. All garbage receptacles (except underground garbage bins) shall be located in an area not visible from the road. Trash shall not be set out for collection prior to the night before such date of collection and the empty containers shall be returned to the proper place of storage immediately after collection. ---

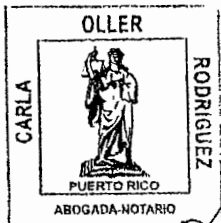
----- (d) Streets and Sidewalks. The Project's streets and sidewalks, and all other paved areas shall not be used to mix concrete or plastering and they shall kept clean and free of building materials. -----

----- (e) Pipes. All storm and sewer pipes located within the Units shall be the sole responsibility of each Unit Owner, nevertheless they may not be eliminated, closed or removed by the Unit Owner. -----

----- (f) Construction Restrictions. The construction of any type of structure or any addition or alteration to the Unit shall be designed and supervised by a professional in the field of engineering or architecture, and property approved by the corresponding government agency. Any construction shall require construction plans duly certified by a duly licensed architect or engineer in Puerto Rico and a soil test study. Notwithstanding the aforesaid, the Architectural Review Council shall approve such construction before any governmental permit is applied, pursuant to the provisions of Deed Number Three (3). -----

----- (g) Building Location. No Accessory -----

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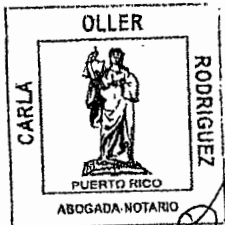
Building or structure of any nature shall be constructed on the lateral sides of the Dwelling, and those rising more than three (3) feet above ground level shall be erected less than ten (10) feet from the boundary lines of the Unit; provided, however, that the ARC shall have the authority to require a greater setback line to ensure that any Accessory Building or other structure is not built so close to the minimum setback line as to damage the aesthetic effect produced by such line. Whenever an Accessory Building, swimming pool, or other structure is to be constructed as part of any Unit, the Unit Owner shall cause that portion of the Unit lying between the boundary line and the Dwelling, Accessory Buildings, swimming pool or other structure to be landscaped according to a landscaping plan previously approved by the ARC.

----- (h) Height Restrictions. No Dwelling shall exceed two stories in height, and no Accessory Building shall exceed one story in height. No Dwelling or Accessory Building shall exceed thirty (30) feet in height regardless of the number of stories. -----

----- (i) Signs. No Unit Owner may post any advertisement, poster or sign of any kind on the exterior of his or her Unit or on its windows. Notwithstanding the above, CR Partnership or its agents shall have the right to use any unsold Unit or Units for display purposes and to display "For Sale" or "For Rent" signs for unsold Units. -----

----- (j) Use Restrictions. No industry, business, trade, occupation or profession of any

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kind, commercial, religious, educational, or otherwise, designed for profit, altruism, exploration, or otherwise, shall be conducted, maintained, or permitted within the Project including the Units and any common areas. No part of the Project shall be used for a purpose other than for housing and related common purposes. No building or structure other than a Dwelling and/or Accessory Building(s) shall be erected or permitted to remain on any Unit, except as herein otherwise provided. Only one family composed of its immediate members shall reside per Unit. -----

----- (k) Awnings and Fences. All awnings and fences installed on any Unit shall be of the size, type, design and color approved by the ARC. Walls and fences constructed or installed within the Project and the Units must comply with the Design Guidelines and ARC written consent and approval. Walls and fences may be located on the sides and rear of the Unit, and shall not be higher than six (6) feet in height. No cyclone or similar fence may be erected. -----

----- (l) Maintenance. All Units, Dwellings and all Accessory Buildings shall be kept in the best condition and appearance, similar or equivalent to the condition in which they were delivered to the Unit Owner. The roofs of the Dwellings and Accessory Buildings shall be kept clean at all times and any exposed concrete roof shall be painted at least once a year with the materials described in the Design Guidelines. -----

----- (m) Installation of Fixtures and -----

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Appurtenances. Except for purposes of proper maintenance and repair, or as otherwise permitted or required by law or this Deed, subject to the exemption set forth in this Article II, it shall be prohibited for any Unit Owner to install, erect, attach, apply, paste, hinge, screw, nail, build, alter, remove or construct any aerials, antennas, radio or television broadcasting or receiving devices, wires, satellite dishes which exceed eight (8) feet in diameter or to make any change or otherwise alter in any manner whatsoever the exterior of any Unit, or to make any change or alteration within any Unit that will otherwise affect the property, interest or welfare of any other Unit Owner, unless they comply with the provisions of the Design Guidelines, or until the ARC shall have approved it in writing. It shall also be prohibited to install window air conditioners in any of the structures located in the Unit; only split-units and central air conditioning devices may be installed within structures of the Unit. -----

----- (n) Accessory Buildings. There may be attached to or incorporated in any Dwelling, an Accessory Building, which shall be intended, designed and used only as auxiliary to the use of the Dwelling and which must comply with the construction restrictions contemplated herein. ---

----- (o) Segregation and Grouping. No Owner shall combine or otherwise join two (2) or more Units (or any portions thereof), or partition the

same. -----

----- (p) Painting. All exterior surfaces of Dwellings, Accessory Buildings, walls, fences and other structures built on a Unit shall be painted in colors approved by the ARC and shall be repainted every four (4) to six (6) years or more frequently, if so determined by the ARC. -----

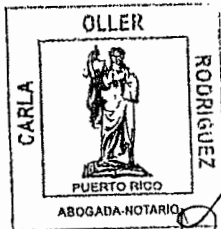
----- (q) Landscaping. Each Unit shall be landscaped in accordance with a landscaping plan approved from time to time by the ARC, and maintained thereafter in a sightly and well-kept condition so as not to detract from the neat appearance of the Units. Landscaping in accordance with the landscaping plan approved by the ARC shall be installed within sixty (60) days following the acquisition and occupancy of a Dwelling. No trees shall be cut down without the approval of the ARC. Special care shall be exercised during any construction so that existing trees are not damaged. Trees or vegetation that may cause damages to (i) any of the structures located within the Project, (ii) easements, (iii) driveways, sidewalks or streets are not permitted. -----

----- (r) No Excavation. No excavation for stone, gravel or earth shall be made on any Unit except for those necessary for a construction approved therein. -----

----- (s) Rental of Units. No portion of a Unit (other than the entire Unit for a single-family occupancy) may be rented. Any lease agreement with respect to a Unit shall provide that the terms of the lease shall be subject in all respects to the



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provisions of this Deed and that any failure of the lessee to comply with the terms of such provisions shall be a default under the lease, which default shall be remedied by the lessee in accordance with the lease or by the Unit Owner. -----

----- (t) Motorized Vehicles. With the exception of lawn care equipment used by persons or entities charged with the maintenance of the lawns on any Unit, no motorized vehicle shall be used or parked on the yards or sidewalks in front of any Unit and no unlicensed motorized vehicles shall be allowed in the Project or on the Home Resort Property (except for construction equipment in connection with the development of the undeveloped portions of the Home Resort Property, and then only for so long as necessary in connection with the development of the Project). All motor vehicles, automobiles, trucks, vans, boats, campers and other vehicles of any kind shall be parked in driveways, garages and carports, and not on the streets or the lawns of any Unit or common area of the Project, provided that commercial vehicles used in rendering services (i.e., repairmen, exterminators, gardeners) and vehicles belonging to short-term visitors may be parked in the portion of the streets in front of the Unit being serviced or visited, as the case may be. -----

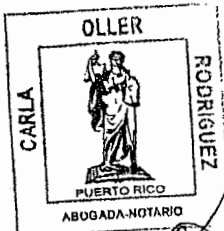
----- (u) Power Plants and Generators. Power plants and electric generators shall only be located on the back side or the roof of the Unit and the Owner must comply with all local and federal rules and regulations pertaining to ----

pollution (i.e. noise, air). -----

----- (v) Junk Vehicles. No junk vehicle or vehicle on which current registration plates are not displayed shall be kept upon the Home Resort Property, or any portion thereof, or any of the Units, nor shall the repair or extraordinary maintenance of automobiles or other vehicles be carried out in the Home Resort Property, or any portion thereof, or any of the Units. -----

----- (w) Animals. The maintenance, keeping, breeding, boarding and/or raising of animals, livestock, or poultry of any kind, regardless of number, is prohibited, except that this shall not prohibit the keeping of house pets provided that they are not kept or maintained for commercial purposes or for breeding. All pets shall be accompanied by an adult and shall be kept under the direct control of their owners at all times and shall not be allowed to run free or unleashed or to otherwise interfere with the rights, comfort and convenience of any of the Unit Owners or occupants of any Unit. Any inconvenience damage or unpleasantness caused by such pets shall be the sole responsibility of the respective owners thereof (or in the case the Unit is leased, of the lessee and the Unit Owner). Animal waste shall be kept at the respective owner's Unit or it must be collected by the respective owner. No dangerous animals shall be permitted within the Home Resort Property or any of the Units thereof. -----

----- (x) Temporary Structures. No structure of a temporary character, trailer, tent, shack, barn



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or other outbuilding shall be kept or maintained upon the Home Resort Property or any portion thereof, any of the Units or in the streets. Outdoor clotheslines shall not be kept or maintained in any of the Units or upon any portion of the Home Resort Property at any time. No clothing, laundry or the like shall be hung from any part of any Unit or from or upon any balcony or patio. -----

----- (y) Paved Areas. Each Unit Owner shall at all times keep paved areas, if any, on his or her Unit in good condition and shall promptly repair any fractures, cracks or potholes. The sidewalks, paths, driveways and other areas for use in getting to and from the Units and/or recreation facilities shall not be obstructed or used for any purpose other than for ingress to and egress from the Units and/or recreational facilities. -----

----- (z) Security Facilities. The maintenance, landscaping, signage and all elements of exterior presentation of the gate, security center, guardhouse and entrance of the Project shall be kept and maintained pursuant to the Design Guidelines (subject to review and approval by the ARC). -----

----- (aa) Nuisances. No Unit Owner or occupant shall make or permit to be made any disturbing noise in the Units by himself or herself, his or her family, friends, tenants, employees, servants, invitees or pets; nor permit anything to be done by any such persons or pets as would interfere with the rights, comfort or convenience of other Unit



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Owners or occupants of the Units or otherwise cause a nuisance. No Unit Owner or occupant shall play or allow to be played any musical instrument, radio, television, stereo, tape recorder or the like in an unreasonable manner so as to disturb or annoy any other Unit Owners or occupants thereof.

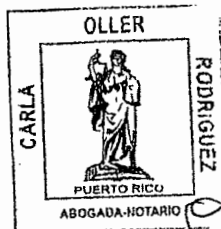
----- (bb) Flammable Substances. No Unit Owner or any of his or her agents, servants, employees, licensees, or visitors shall at any time bring into or keep in his or her Unit any flammable, combustible or explosive fluid, material, chemical or substance, except for normal household use. ---

----- (cc) Lawful Use. No immoral, improper, or unlawful use shall be made of the Unit or any part thereof, or any common area of the Project, and all laws, zoning ordinances and regulations of all governmental agencies having jurisdiction with respect thereto shall be observed. All laws, orders, rules, regulations, or requirements of any governmental agency having jurisdiction with respect to any portion of the Home Resort Property shall be complied with by and at the sole expense of the owner of the Home Resort Property or the Unit Owners, whichever shall have the obligation to comply with such laws, rules or requirements. ----

----- (dd) General Conduct. The Unit Owners and occupants thereof shall in general not act or fail to act in any manner that interferes with the rights, comfort, convenience and safety of other Unit Owners and occupants of the Units. -----

----- (ee) Additional Limitation. Notwithstanding the provisions in above, the total square footage

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and configuration of the Units shall not be changed or modified by CR Partnership while it owns Units and/or the Unit Owners, without CR Partnership and ARC's prior written consent, which may be withheld at their sole and absolute discretion. -----

-----Section Four. Recreational Facilities and Common Property. The Recreational Facilities and Common Property will be conveyed, assigned and transferred to the Association when fifty percent (50%) plus one of the Units have been individualized, sold and delivered. Said transfer will be executed by public deed and at no cost to the Association. -----

-----CR Partnership shall procure segregation of the Recreational Facilities and Common Property from the Permits and Regulations Administration (ARPE) in order to consummate its obligation towards the Association to convey, assign and transfer the Recreational Facilities and Common Property. -----

-----CR Partnership will retain the administration and maintenance of the Recreational Facilities and Common Property until either seventy-five percent (75%) or one hundred percent (100%) of the Units have been individualized, sold and delivered, at the CR Partnerships discretion. -----

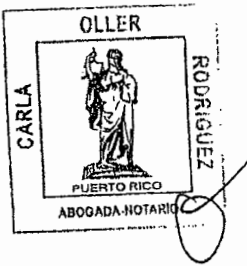
-----Section Five. The Association. The Owners shall form a Unit Owners association for the Project (the "Association") once seventy-five percent (75%) of all Units have been individualized, sold and delivered. All Unit Owners shall belong to the Association. The Association shall be responsible for maintaining



and administering the Recreational Facilities and Common Property, including without limitation, the entrance(s) of the Project. In furtherance of the Association's purposes, assessments shall be levied against each Unit in the Project in order to comply with the obligations of the Unit Owners under this Deed and Deed Number Three (3). -----

-----Section Six. Personal Obligation for Assessments. Each person who shall become a Unit Owner after the date of this Deed, by acceptance of the deed of individualization and sale for the Unit, whether or not it shall be so expressed in any such deed, shall be deemed to covenant and agree, for the benefit of the Association and each of the Unit Owners, to pay the assessments levied pursuant to this Deed and Deed Number Three (3) against his or her Unit. Upon the execution of a valid deed of sale conveying title to any Unit, the obligation of the conveying Unit Owner shall cease, provided that each such deed shall contain a covenant by each grantee, for the benefit of Caguas Real Maintenance, the Association and each of the Unit Owners, that he or she will pay the assessments levied against the Unit conveyed by such deed or deeds. -----

-----CR Partnership as owner and developer of the Home Resort Property shall not pay assessments for Units in development stages located therein and until sixty (60) days after final completion of construction of the same and their use permit has been issued by the corresponding government agency to the extent permitted by law. -----



----- ARTICLE III -----

----- General Provisions -----

-----Section One. Enforcement. The Covenants and Restrictions shall be enforceable by CR Partnership against any person or persons including, but not limited to, the Unit Owners, violating or attempting to violate any Covenant or Restriction, either to restrain a violation, obtain an order compelling specific performance or to recover damages, and against the Home Resort Property and any subdivision thereof, including without limitation, the Units, to enforce any lien created by or pursuant to the Covenants and Restrictions. Expenses of any such actions or proceedings, including reasonable attorneys' fees and expenses, shall be paid by the person or persons who shall be determined by a court in such actions or proceedings to have violated or attempted to violate any Covenant or Restriction. The failure by the owner of the Home Resort Property or the Unit Owners, the Association, CR Partnership or Caguas Real Maintenance to enforce any Covenant or Restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

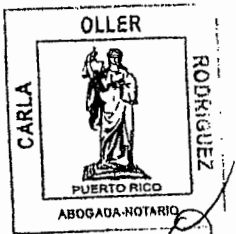
-----Section Two. The Project. CR Partnership shall have the right to vary the constitution of the Home Resort Property and the Project and to reduce or increase the amount of Units to be sold within the Project. The deed of sale of each individual Unit shall contain an acknowledgment by the Unit Owners of this right. -----

-----Section Three. Notices. -----

JF



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----- (a) All notices, requests, consents and other communications required or permitted under this Deed shall be in writing (including telex and telecopier communication) and shall be (as elected by the person giving notice) hand delivered by messenger or courier service, telecommunicated, or mailed (airmail if international) by registered or certified mail (postage prepaid), return receipt requested, addressed to: -----

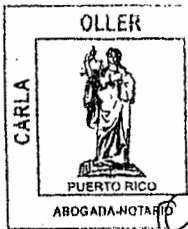
----- If to CR Partnership: -----
1473 Wilson Avenue -----
Penthouse -----
Condado, Puerto Rico 00907 -----

----- (b) Each such notice shall be deemed delivered (i) on the date of delivery if by personal delivery, (ii) on the date telecopier if by telecopier, or (iii) on the date upon which the return receipt is signed or delivery is refused or the notice is designated by the postal authorities as not deliverable, as the case may be, if mailed.

---THIRD: Pronouns. Wherever from the context it appears appropriate, each term stated in either the singular or the plural shall include the singular and the plural, and pronouns stated in either the masculine, the feminine or the neuter gender shall include the masculine, feminine and neuter. -----

---FOURTH: Severability. If any provisions of this Deed or the application of such provision to any person or circumstances shall be held invalid, the remainder of this Deed, or the application of such provision to persons or circumstances other than those to which it is held invalid, shall not be affected thereby. -----

JS



---FIFTH: Remedies Cumulative. The rights and remedies given in this Deed shall be deemed cumulative, and the exercise of one of such remedies shall not operate to bar the exercise of any other rights and remedies reserved under the provisions of this Deed or provided by law. -----

---SIXTH: Attorneys' Fees. If a party commences an action against the other to interpret or enforce any of the terms of this Deed or as the result of a breach by the other party of any terms hereof, the losing (or defaulting) party shall pay to the prevailing party reasonable attorneys' fees, costs and expenses incurred in connection with the prosecution or defense of such action, whether or not the action is prosecuted to a final judgment.

---SEVENTH: Expenses of Deed. The Internal Revenue stamps required for the original and the first certified copy hereof, and the fee for recordation of said certified copy in the proper Section of the Registry of Home Resort Property shall be for the account of CR Partnership. -----

---EIGHTH: Valuation of the Covenants and Restrictions. For purposes of recordation in the Registry, the parties hereto hereby attribute a value of TEN THOUSAND DOLLARS (\$10,000) to the Covenants and Restrictions. -----

---NINTH: Petition to the Registrar. CR Partnership respectfully requests that the Honorable Registrar of Property of Caguas record the Covenants and Restrictions as an equitable servitude ("servidumbre en equidad") upon the Home Resort Property. -----

-----ACCEPTANCE-----

---The appearing party does hereby ratify, confirm and accept this instrument for the reason that the same has been drawn up in accordance with its request.-----

---I, the Notary, do hereby certify that I advised the party appearing herein of the legal effects of the present document which was executed before me by said party, who waived its right to request the presence of witnesses.-----

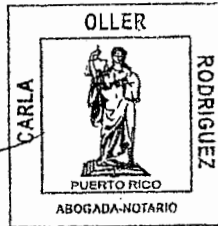
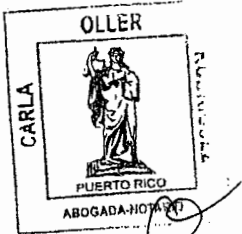
---I, the Notary, do hereby certify that this document was read and understood by the appearing party, who signed the same and also initialed each and all pages of this Deed, before me, the Notary.

---I, the Notary, certify also as to my personal acquaintance with the appearing party, as to its statements, and as to all other things herein contained and alleged.-----

J.F.

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C ompendio de los Derechos del
Comprador de Vivienda

Ley Número 130
del 13 de junio de 1967

DERECHOS DEL COMPRADOR DE VIVIENDA

La ley número 130 del 13 de junio de 1967, según enmendada y el reglamento promulgado a su amparo le imponen al constructor, la obligación de corregir los defectos de construcción de que adolezca las unidades vendidas. El Comprador, no obstante vendrá obligado a notificar al constructor por escrito, sobre la existencia de los mismos, dentro del término requerido por el reglamento. En este Tercer artículo sobre *Los Derechos del Comprador de Vivienda*, señalaremos el término dentro del cual deberá notificarse al constructor los diferentes tipos de deficiencias.

Luego de firmadas las escrituras originales de compra y venta, el consumidor tiene **TREINTA (30) DIAS** para notificar cualquiera de los siguientes defectos:

- "Closets":
 - Falta de tablillas o tablillas defectuosas.
 - Puertas o correderas defectuosas o mal instaladas.
 - Deflexión de más de 1/16" por cada lineal medido en la totalidad del vuelo de la tablilla.
- Eléctrico:
 - Falta de receptáculos.
 - Falta de interruptores ("switches") y/o receptáculos que estén defectuosos o rotos.
 - Falta de toma de corriente para el calentador.
 - Falta de toma de corriente para la estufa.
 - Falta de lámparas o que estén rotas o defectuosas.
- Gabinetes:
 - Desnivel en las puertas, puertas y correderas defectuosas o mal instaladas.
 - Formica rayada, quemada o partida.
 - Falta de tablillas o tablillas defectuosas (depresión permisible 1/16" por cada pie lineal medido en la totalidad del largo de la tablilla).
 - Tiradores defectuosos, mal instalados o falta de estos.
- Pisos:
 - Falta de pulimento en los pisos.
- Ventanas:
 - Operadores defectuosos o mal colocados.
 - Ventanas que no cierren adecuadamente o dificultad al abrirlas.
- Defectos Misceláneos:
 - Salideros en las plumas de agua, aparatos sanitarios rotos, rajados o desconchados.
 - Falta de grama (donde lo requiera el contrato de compra y venta).

Dentro del término de SESENTA (60) DIAS el comprador deberá notificar aquellos defectos referentes a:

- Sistema sanitario obstruido, si la obstrucción es a consecuencia de una instalación defectuosa, hormigón o plomo ocurridos como consecuencia de las actividades del constructor.
- Instalación de puertas defectuosas. Este incluye entre otras:
 - * cerraduras defectuosas
 - * vueltas en las puertas (depresión 1/4")
 - * puertas desniveladas (desnivel de 1/4")
 - * terminaciones defectuosas
 - * ranuras entre marcos de la puerta y pared

Dentro del término de SEIS (6) MESES el comprador deberá notificar aquellos defectos referentes a:

- Pintura:
 - Pintura defectuosa o mano de obra deficiente.

Dentro del término de UN (1) AÑO el comprador deberá notificar aquellos defectos referentes a:

- Baños:
 - Azulejos de pared despegados y juntas de azulejos abiertos.

Dentro del término de DOS (2) AÑOS el comprador deberá notificar aquellos defectos referentes a:

- Aceras y accesos (dentro de la propiedad del comprador).
 - Nivel diferente a lo estipulado en el plano de construcción y que afecte adversamente los fines para que se construyo.
 - Grietas mayores de 3/16" causadas por diseños inadecuados, deficiencias en el material o compactación inadecuada del terreno.
 - Residuos de concreto o de cualquier otro material.
- Marquesina
 - Nivel bajo el terreno adyacente según el plano de construcción.
 - Desagüe inadecuado o invertido.
 - Grietas mayores de 1/16" de amplitud o desplazamiento vertical de 1/16".
 - Terminación que no se ajusta a las especificaciones.

- Paredes

- Grietas mayores de 1/16" de amplitud.
- Empañetado engalletado de un diámetro mayor de 6".
- Desnivel vertical mayor de 1/4" por 10' de desnivel horizontal mayor de 1/2" hasta 20' de largo o mayor de 1" en 40' o más.

- Pisos

- Grietas mayores de 1/16" de ancho o de menor amplitud que afecten la terminación del piso.
- Desniveles mayores de 1/32" por pie lineal en cualquier dirección con excepción de terrazas, balcones, marquesinas, siempre y cuando este de acuerdo con las practicas aceptadas de la construcción.
- Filtraciones producidas por defectos en las instalaciones de plomería, sanitarias o causadas por la lluvia.
- Zócalos caídos.
- Terraza con variaciones de color con más de diez (10%) porciento del área de una habitación o de la edificación en general.
- Terraza defectuosa o de color completamente distinto al predominante.
- Losetas despegadas o que amenacen despegarse, rotas o partidas y/o descoloridas.

- Plomería

- Rotura o asentamiento de la tubería o estructura.
- Defecto en la instalación de la caja del contador o en la llave de control.
- Residuos defectuosos o mal instalados de acuerdo al plano.
- Agua fría y caliente mal instaladas.

- Solar

- Nivel por debajo o sobre de lo establecido en el plano.
- Relleno no compactado adecuadamente.
- Acumulación y formación de corriente de agua.
- Taludes que no estén en conformidad con los requisitos de la Junta de Planificación y/o Administración de Reglamentos y Permisos (ARPE).
- Inexistencia de los desagües o desagües defectuosos.

- Techos

- Declive no apropiado.
- Varillas expuestas.
- Desagües inadecuados.
- Filtraciones.
- Manchas producidas por la humedad en un área mayor de cinco (5%) porciento en los plafones de una habitación.

- Desprendimiento del material del techo.

Defectos misceláneos

- Ventanas desniveladas y/o desplomadas, ranuras entre sus marcos y filtraciones por estas.
- Aparición o existencia de materiales extraños en la estructura.
- Circuitos eléctricos incompletos, interrupciones de electricidad debido a conexiones impropias.
- Entrada de agua por la tubería y sus accesorios o rompimiento de la tubería debido al asentamiento de la estructura.
- Formicas de los gabinetes de cocina despegados.

Enseres

- Los enseres eléctricos que el Comprador haya seleccionado como equipo de la vivienda tendrán la garantía que ofrezcan sus fabricantes. El Comprador reclamará por los enseres defectuosos al distribuidor, cuyo nombre, dirección y teléfono deberá proveer el Constructor al Comprador. Si el fabricante o su representante no responden, el Urbanizador será el responsable de remediar los defectos.

Cualquier otro defecto que el Departamento determine que es problema de construcción, tomando como base los principios básicos de Ingeniería, tipo, clase y/o método de construcción, deberán notificarse dentro de un periodo de tiempo razonable.

Finalmente es importante señalar que el reglamento no limita en ninguna forma otros derechos que el código Civil de Puerto Rico o cualquier otra Ley le concedan a los compradores de vivienda. El Comprador podrá ejercitar esos otros derechos ante el foro judicial correspondiente o ante el departamento de Asuntos al Consumidor (D.A.C.O.).

Para más información, puede llamarnos a través de la línea de D.A.C.O al 722-3000.