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JUN 09 1966
DEPARTAMENTO

CERTIFICATE OF INCORPORATION

OF

PANORAMA VILLAGE HOMEOWNERS ASSOCIATION, INC.

We, the undersigned, have organized a non-profit corporation under the General Corporation Law of the Commonwealth of Puerto Rico, approved on January 9, 1956, as amended, and hereby certify to the following Articles of Incorporation for such corporation:

FIRST: The name of the Corporation is PANORAMA VILLAGE HOMEOWNERS ASSOCIATION, INC.

SECOND: The location of the principal place of business of the Corporation in the Commonwealth of Puerto Rico is:
1550 Ponce de León Avenue, 5th Floor, Santurce, Puerto Rico.

The Resident Agent of the Corporation is Luis Carlos Torrellas.

THIRD: The Corporation will have perpetual existence.

FOURTH: The Corporation is not organized for pecuniary profit, nor shall it have any power to issue certificates of stock or declare dividends, and no part of its net earnings shall inure to the benefit of any member, director or individual.

FIFTH: The purpose for which the Corporation is formed is to provide and ensure for the preservation of values and amenities and to own, maintain and administer the common properties, services and facilities in the Panorama Village Development community in the Commonwealth of Puerto Rico and to enforce the covenants and

restrictions governing said development and to collect and disburse all assessments and charges necessary for such ownership, maintenance, administration and enforcement.

SIXTH: The Corporation, also referred to hereinafter as THE ASSOCIATION, shall be authorized and empowered to:

(1) Own and maintain properties of every kind, 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 Panorama Village Development;

b) For sidewalks, walking paths or trails, and bicycle paths throughout the Panorama Village Development;

c) For police protection including police stations and/or guardhouses 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 paragraph 2 below of this clause SIXTH;

f) For purposes set out in deeds or long-term leases by which properties are conveyed or leased to THE ASSOCIATION, provided that such purposes shall be approved by the members of THE ASSOCIATION;

g) For swimming pools, courts and other recreational

facilities of any nature, community meeting facilities, and commercial or service center serving the Panorama Village Development.

(2) THE ASSOCIATION shall be authorized to provide the following services:

a) Cleanup and maintenance of all roads, roadways, parkways and lands adjacent to public highways and other properties within the Panorama Village Development and also all public properties which are located within or in a reasonable proximity to the Panorama Village Development such that their deterioration would affect the appearance of the panorama Village Development as a whole;

b) Landscaping of roads and parkways, sidewalks and walking paths and any other properties;

c) Lighting of roads, sidewalks and walking paths throughout the Panorama Village Development;

d) Police protection and security, including but not limited to the employment of police and security guards, maintenance of electronic and other security devices and control centers for the protection of persons and property within the Panorama Village Development, and assistance in the apprehension and prosecution of persons who violate the laws of Puerto Rico within the Panorama Village Development;

e) Garbage and trash collection and disposal;

f) Insect and pest control to the extent that it is

necessary to supplement the service provided by the state and local governments;

g) The services necessary to carry out THE ASSOCIATION'S obligations and business under the terms of this document;

h) To take any and all actions necessary to enforce all covenants and restrictions affecting the Panorama Village Development and to perform any of the functions or services delegated to THE ASSOCIATION in any covenants or restrictions applicable to the Panorama Village Development;

i) To set up and operate an architectural review board in the event that THE ASSOCIATION is designated by PANORAMA, S.E. as the agent for such purpose;

j) To conduct recreation, sport, craft, and cultural programs of interest to members, their children and guests;

k) To provide legal and scientific resources for the improvement of air and water quality within and adjacent to the Panorama Village Development;

l) To provide special entertainment and festivals;

m) To construct improvements on any properties for use for any of the purposes authorized in paragraph 1 above, or as may be required to provide the services as authorized in this paragraph 2;

(3) To purchase, lease, or otherwise acquire, and to hold, invest in, own, use, maintain, manage and operate and to sell,

transfer, lease, assign, convey, mortgage, exchange or otherwise turn to account or dispose of, build, construct, develop, sub-divide, and otherwise deal in and with such real property or interests thereon, developed or undeveloped, including buildings, whether located within the Commonwealth of Puerto Rico or elsewhere, as may be necessary or convenient in connection with the business of the Corporation, and within the limits permitted by law, and personal property, tangible or intangible, without limitation; and shall in all respects be subject to the provisions of Section 14 of Article IV of the Constitution of the Commonwealth of Puerto Rico.

(4) To engage in any one or more other business or transactions which the Board of Directors of this corporation may from time to time authorize or approve, whether related or unrelated to the business described herein.

(5) To borrow money for any of the purposes of the Corporation, from time to time, and without limit as to amount; and on such terms and conditions and such rate of interest as the Corporation may determine, on a secured or unsecured basis, and to give notes, debentures, bonds and other negotiable or non-negotiable instruments of the Corporation thereof; to enter into other obligations on behalf of and for the purposes of the Corporation; and to mortgage, pledge or otherwise encumber all or any of the real and personal property of the Corporation to secure such notes, debentures, bonds, instruments or other obligations.

(6) To merge into, or consolidate with, and to enter agreements and cooperative relations, not in contravention of law, with any association or corporation; organize under or with reference to the laws of the Commonwealth of Puerto Rico or any other jurisdiction in connection with any business, object, purpose or power of the Corporation.

(7) To draw, make accept, endorse, discount, execute, and issue promissory notes, drafts, bills of exchange, bonds, warrants, debentures, and other negotiable or transferable instruments and evidences of indebtedness, whether secured by mortgage or otherwise, as well as to secure the same by mortgage or otherwise, so as may be permitted by the laws of the Commonwealth of Puerto Rico.

(8) To carry out all or any of the foregoing objects purposes as principal or agent; to the extent now or hereinafter permitted by the laws of the Commonwealth of Puerto Rico; and in connection therewith to make or enter into such deeds or contracts with any persons, firms associations, corporations, government departments, political subdivision, agency or instrumentality thereof, and to do such acts and things and to exercise such powers, as a natural person could lawfully make, enter into, do or exercise.

(9) To do any and all such further acts and things and to exercise any and all such further powers as may be necessary, appropriate, or desirable for the accomplishment, carrying out for attainment of all or any of the foregoing purposes or objects

herein enumerated, or designed; directly or indirectly to promote the interest of the Corporation or to enhance the value of its properties; and in general, to do any and all things and exercise any and all powers, rights, and privileges which such a corporation may now or hereafter be organized to do or to exercise under the laws of the Commonwealth of Puerto Rico.

The foregoing objects and purposes shall, except where otherwise expressed, be in no way limited or restricted by reference to, or inference from, the terms of any other clause of this or any other Article of this CERTIFICATE OF INCORPORATION, and shall each be regarded as independent, and construed as powers as well as objects and purposes. The Corporation shall be authorized to exercise and enjoy all of the powers, rights and privileges granted to or conferred upon, corporations of a similar character by the laws of the Commonwealth of Puerto Rico now or hereafter in force, and the enumeration of the foregoing powers shall not be deemed to exclude or waive any powers, rights or privileges so granted or conferred. However, all the powers, rights and privileges granted to THE ASSOCIATION, including those above listed by way of illustration, shall be always understood to be subject to the limitations that THE ASSOCIATION shall not operate or exist for pecuniary profit.

SEVENTH: The Corporation shall have no capital stock, and shall be composed of members rather than stockholders.

EIGHTH: The conditions and regulations of membership in the

Corporation shall be determined and fixed by the BY-LAWS of the Corporation.

The Board of Directors of THE ASSOCIATION is fully empowered to approve or amend the BY-LAWS of the Corporation, subject to the power of the members of THE ASSOCIATION and to designate one or more committees; each committee to consist of one or more of the directors of the Corporation which to the extent provided in the Resolution or in the By-Laws of the Corporation, shall have and may exercise the powers of the Board of Directors (other than the power to remove or elect officers) in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may names as may be stated in the By-Laws of the Corporation or as may be determined from time to time by Resolution adopted by the Board of Directors.

The Corporation may in its BY-LAWS confer powers upon its Board of Directors in addition to the foregoing, and in addition to the powers and authorities expressly conferred upon it by the statute.

NINTH: The names and addresses of the incorporators are as follows:

<u>Name</u>	<u>Address</u>
Marta Roldán	Cond. Borinquen Towers III Apto. 1301 Río Piedras, Puerto Rico
Yidelka Rodríguez	Calle 28 QQ 4 Villas de Loíza Canóvanas, P.R. 00729

Yolanda Cabrera

Calle Orquídea #536
Villa Hostos, Campanilla
Toa Baja, Puerto Rico

IN WITNESS WHEREOF, we, the undersigned, being all the incorporators hereinabove named, HEREBY CERTIFY under oath that the facts herein expressed are all true.

In San Juan, on this 6th. day of June, 1995.

Marta Roldán

MARTA ROLDAN

Yidelka Rodríguez

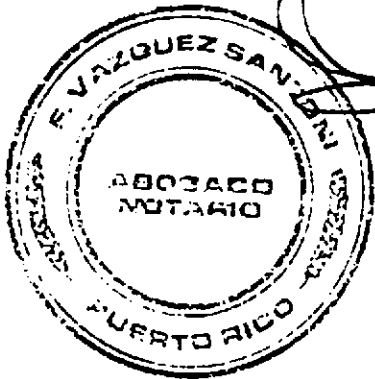
YIDELKA RODRIGUEZ

Yolanda Cabrera

YOLANDA CABRERA

Affidavit No. 32,046

Sworn and subscribed to before me by Marta Roldán, Yidelka Rodríguez and Yolanda Cabrera, all of legal age, single the first and the third, married the second, property owners and residents of Río Piedras, Toa Baja and Canóvanas, Puerto Rico, respectively, whom I personally know this 6th. day of June, 1995, in San Juan, Puerto Rico.



[Signature]
NOTARY PUBLIC

BY-LAWS
PANORAMA VILLAGE HOMEOWNERS ASSOCIATION, INC.
A NON-PROFIT CORPORATION

INDEX

<u>Article No.:</u>	<u>Page</u>
I. DEFINITIONS	1
II. OFFICES & REGISTERED AGENT	2
III. MEMBERSHIP	2
IV. VOTING RIGHTS	3
V. SPECIAL ASSESSMENTS	4
VI. PROPERTY RIGHTS AND RIGHT OF ENJOYMENT OF COMMON PROPERTIES	5
VII. PURPOSES AND POWERS	5
VIII. MASTER ASSOCIATION	6
IX. DIRECTORS	6
X. EXECUTIVE COMMITTEE	9
XI. COMPENSATION OF DIRECTORS	9
XII. MEETING OF THE BOARD	9
XIII. NOTICES	11
XIV. OFFICERS	11
XV. THE PRESIDENT	12
XVI. THE VICE PRESIDENTS	13
XVII. THE SECRETARY AND ASSISTANTS	13
XVIII. THE TREASURER AND ASSISTANTS	14
XIX. FIDELITY BONDS	14
XX. DIRECTORS' ANNUAL STATEMENT	15
XXI. CHECKS	15

XXII.	FISCAL YEAR	15
XXIII.	SEAL	15
XXIV.	MEMBERS' MEETINGS	16
XXV.	TRANSFER OF MEMBERSHIP	19
XXVI.	INDEMNIFICATION	19
XXVII.	CONSTRUCTION	20
XXVIII.	AMENDMENTS OF BY LAWS OR ARTICLES OF INCORPORATION	20

BY-LAWS

PANORAMA VILLAGE HOMEOWNERS ASSOCIATION, INC.

A NON-PROFIT CORPORATION

ARTICLE I. DEFINITIONS

1. Declaration of Covenants and Restrictions - In the course of these By-Laws, reference is made to the Declaration of Covenants and Restrictions for PANORAMA VILLAGE HOMEOWNERS ASSOCIATION, INC., at San Juan, Puerto Rico, and provisions for the PANORAMA VILLAGE HOMEOWNERS ASSOCIATION, INC. This will be understood to refer to Public Deed Number 603, executed on the sixth (6th) day of June, Nineteen Hundred and Ninety Five (1995), before Notary Public Francisco M. Vázquez Santoni and to such other public deeds as may be executed amending, restating, or in any manner modifying said Deed Number 603 and duly recorded or presented for recordation at the corresponding Registry of Puerto Rico. A copy of these covenants is attached to these By-Laws and is incorporated herein by reference each and every time said covenants are referred to by these By-Laws. Said Declaration of Covenants and Restrictions are sometimes referred to herein as "Covenants" and "The Covenants" and shall be understood to mean the deeds wherein those covenants are established or modified.

2. The Company - "The Company" shall mean PANORAMA VILLAGE HOMEOWNERS ASSOCIATION, INC.

3. Association - "Association" shall mean and refer to the PANORAMA VILLAGE HOMEOWNERS ASSOCIATION, INC., a non-profit corporation organized and existing under the laws of the

Commonwealth of Puerto Rico.

4. The Properties - "The Properties" shall mean and refer to all the property described in Paragraph SIXTH, Section A of the Covenants and such additions thereto as may hereafter be brought within the jurisdiction of the Association as provided for in Paragraph SIXTH, Section B, thereof.

5. Master Association - "Master Association" shall mean and refer to PANORAMA VILLAGE HOMEOWNERS ASSOCIATION, INC., a non-profit corporation organized under the Laws of the Commonwealth of Puerto Rico.

**ARTICLE II. OFFICES
AND REGISTERED AGENT**

The principal office of the association in the Commonwealth of Puerto Rico shall be located at

1550 Ponce de León Avenue, 5th Floor

Santurce, Puerto Rico

For the purpose of service of process the Association shall designate a registered agent, which designation may be changed from time to time, and his office shall be deemed an office of the Corporation for the purpose of service of process.

ARTICLE III. MEMBERSHIP

1. Membership in the Association shall be set forth in Paragraph SEVENTH of the Covenants.

2. The rights of membership are subject to the payment of annual and special assessments levied by the Association, the obligation of which assessments is imposed against each owner of,

and becomes a lien upon, the property against which such assessments are made as provided by Paragraph NINTH of the Covenants.

3. The membership rights of any person whose interest in the Properties is subject to assessments under Paragraph NINTH of the Covenants whether or not he be personally obligated to pay such assessment, may be suspended by action of the Directors during the period when the assessments remain past due and unpaid; but, upon payment of such assessments, his rights and privileges shall be automatically restored. If the Directors have adopted and published rules and regulations governing the use of the Common Properties and other personal conduct of any person thereon, they may, in their discretion, suspend the rights of any such person for violation of such rules and regulations for a period not to exceed sixty (60) days.

ARTICLE IV. VOTING RIGHTS

1. Voting rights in the Association shall be as set forth in Paragraph EIGHTH, Section B, of the Covenants.

2. Members to Have Power of Referendum in Certain Instances. The Members, or some specific portion thereof, shall have the power to approve or reject certain actions proposed to be taken by the Association by Referendum including, without limitation, whether the Association shall accept any offer by The Company to convey to the Association any "Common Properties", the levy by the Association of any special assessment in excess of those authorized by the Covenants, and the addition or deletion of functions or

services which the Association is authorized to perform. In the event seventy-five percent (75%) or more of the votes actually returned to the Association within the specified time shall be in favor of such action, the Referendum shall be deemed to "pass" and the action voted upon will be deemed to have been authorized by the Members; provided, however, that if a higher percentage vote required to "pass" shall be specifically expressed herein or in the Covenants, that higher percentage shall control in that instance. The Board of Directors may not undertake any action requiring a Referendum without carrying with the provisions therefore. In the event of a dispute as to whether a Referendum is required, the following action may be taken: Within Sixty (60) days after the adoption by the Directors of any action which is, in the opinion of the Members, subject to a Referendum, a petition signed by not less than twenty-five percent (25%) of the total Membership of the Association may be filed with the Secretary of the Association requesting that any such action be either repealed or submitted to a vote of the Members.

ARTICLE V. SPECIAL ASSESSMENTS

1. Any special assessments authorized under the provisions of Paragraph TENTH of the Covenants must be submitted to a Referendum of the members or a specific portion thereof as defined in Paragraph (2) below. Such assessment shall only be authorized by the affirmative vote of seventy-five percent (75%) of the votes of the members responding to the Referendum within thirty (30) days of mailing with such mail Referendum to include a statement

prepared by the Directors of the Association favoring such assessments stating the reasons therefor, together with a statement by the Directors dissenting from such assessment.

ARTICLE VI. PROPERTY RIGHTS

AND RIGHTS OF ENJOYMENT OF COMMON PROPERTIES

1. Each member shall be entitled to the rights in, and use and enjoyment of, the Common Properties as provided by Paragraph NINTH of the Covenants.

2. Any member may delegate his rights of enjoyment in the Common Properties and Facilities to the members of his family who reside upon the Properties. Such member shall notify the Secretary of the Association in writing of the name of any such person or persons and of the relationship of the member to such person or persons. The rights and privileges of such person or persons are subject to suspension to the same extent as those of the member.

ARTICLE VII. PURPOSES AND POWERS

1. Purposes - The Association has been organized for the purposes set forth in the Certificate of Incorporation.

2. Powers -

a) Mortgages: Other indebtedness: The Board of Directors of the Association shall have the power and authority to mortgage property of the Association and to pledge the revenues of the Association as security for loans made to the Association which loans shall be used by the Association in performing its authorized functions.

b) Dedication of Properties or Transfer of Functions to

Public Agency or Utility - The Corporation shall have the power to dispose of its real properties only as authorized under the Covenants.

ARTICLE VIII. MASTER ASSOCIATION

1. A Master Association will be formed in PANORAMA VILLAGE DEVELOPMENT for the management and conservation of the common areas within their confines.

ARTICLE IX. DIRECTORS

1. The property and business of the Association shall be managed by its Board of Directors which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Articles of Incorporation or by these By-Laws or by the Covenants directed or required to be exercised or done by the members. These duties of the Board of Directors shall include, but are not limited to, the following:

- a) to call special meeting of the members whenever it deems necessary and shall call a meeting at any time upon request as provided in Article XXIV, Section 5 hereof;
- b) to appoint and remove at pleasure all officers, agents and employees of the Association, prescribe their duties, fix their compensation, if any, and require of them such security or fidelity bond as it may deem expedient. Nothing contained in these By-Laws shall be construed to prohibit the employment of any Member, Officer, or Director of the Association in any capacity whatsoever;
- c) to establish, levy, assess, and collect the

- assessments or charges pursuant to the provisions of Paragraph NINTH of the Covenants;
- d) to adopt and publish rules and regulations governing the use of the Common Properties, and facilities and the personal conduct of the members and their tenants and guests thereon;
 - e) in the event that any member of the Board of Directors of this Association shall be absent from three (3) consecutive regular meetings of the Board of Directors without excuse, the Board may, by action taken at the meeting during which said third absence occurs, declare the office of said absent Director to be vacant;
 - f) to cause to be kept a complete record of all its acts and corporate affairs;
 - g) to supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
 - h) pursuant to the provisions of Paragraph TENTH of the Covenants:
 - (i) to fix the amount of the assessment against each member for each assessment period; and at the same time,
 - (ii) to 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;

(iii) to send written notice of each assessment to every owner subject thereto;

i) to furnish upon demand by any Owner liable for an assessment a certificate in writing signed by an officer of the Association setting forth whether any assessment owed by such Owner 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;

j) to see that all provisions of the Covenants and these By-Laws are complied with.

2. The number of directors which shall constitute the whole Board shall be no less than three (3). The Directors shall be elected by majority vote at the annual meeting of the members, and each director shall be elected to serve until the next annual meeting of the members and/or until his successor shall be elected and shall qualify.

3. The directors may hold their meetings and keep the books of the corporation at the office of the corporation, or at such other place within Puerto Rico, as they may from time to time determine.

4. If the office of one or more directors becomes vacant by reason of death, resignation, retirement, disqualifications, removal from office, or otherwise, a majority of the remaining directors, though less than a quorum, shall choose a successor or

successors, who shall hold office for the unexpired term in respect to which such vacancy occurred and/or until his successor shall be elected and shall qualify.

ARTICLE X. EXECUTIVE COMMITTEE

1. The Board of Directors may, by resolution passed by a majority of the whole Board, designate an executive committee to consist of three or more of the directors of the corporation which, to the extent provided in said resolution, shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of the corporation, and may have power to authorize the seal of the corporation to be affixed to all papers which may require it, provided the said resolution shall so provide.

2. The executive committee shall keep regular minutes of its proceedings and report the same to the Board when required.

ARTICLE XI. COMPENSATION OF DIRECTORS

1. Directors, as such, shall not receive any salary for their services, provided that nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefor. The salaries for directors for services other than as such shall be fixed by the Board of Directors.

ARTICLE XII. MEETING OF THE BOARD

1. The first meeting of a newly elected Board of Directors shall be held immediately following the meeting of the members of the corporation at which the Board of Directors was elected or

within ten (10) days of election. No notice shall be necessary to the newly elected members of the Board of Directors in order to hold such a meeting providing a majority of the members of the Board of Directors is present at such meeting.

2. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time, by a majority of the Board. Notice of regular meeting shall be given by the secretary of the corporation, or other designated person, to each director at least ten (10) days prior to the date of such meeting.

3. Special meetings of the Board may be called by the president on five (5) days notice to each director, either personally or by mail, or by telegram, which notice shall state the time, place and purpose of the meeting. Special meetings shall be called by the president or secretary in like manner and on like notice on the written request of two directors. Notice of any and all meetings of the Board may be waived by appropriate written waiver.

4. At all meetings of the Board a majority of the directors shall be necessary and sufficient to constitute a quorum for the transaction of business and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by statute or by the Articles of Incorporation or by these By-Laws. If a quorum shall not be present at any meeting of directors, the directors present there at may adjourn the meeting

from time to time, without notice other than announcement at the meeting , until a quorum shall be present.

ARTICLES XIII. NOTICES

1. Whenever under the provisions of the statutes or of the Articles of Incorporation or of these By-Law, notice is required to be given to any director or member, it shall not be construed to mean personal notice, but such notice may be given in writing, by mail, depositing the same in a post office or letter box, in a post-paid sealed wrapper, addressed to such director or member at such address as appears on the books of the corporation, and such notice shall be deemed to be given at the time when the same shall be thus mailed.

2. Whenever any notice is required to be given under the provisions of the statutes or of the Articles of Incorporation, or of these By-Laws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent thereto. Attendance by a director at any meeting of the Board shall be a waiver of notice by him of the time, place and purpose thereof. If all members of the Board are present at a meeting of the Board no notice shall be required and any business may be transacted at such meeting.

ARTICLE XIV. OFFICERS

1. The officers of the corporation shall be chosen by the directors and shall be a President, a Vice-President, a Secretary and a Treasurer. The Board of Directors may also choose

additional vice-presidents, and one or more assistant secretaries, and assistant treasurers.

2. The Board of Directors at its first meeting after election shall choose a president, one or more vice-presidents, a secretary and a treasurer, none of whom, excepting the president, need be a member of the Board.

3. The Board may appoint such other officers and agents as it shall deem necessary, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time by the Board.

4. The officers of the corporation shall hold office until their successors are chosen and qualify in their stead. Any officer elected or appointed by the Board of Directors may be removed at any time by the affirmative vote of a majority of the whole Board of Directors. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board of Directors.

ARTICLE XV. THE PRESIDENT

1. The President shall be the chief executive officer of the corporation; he shall, preside at all meetings of the members and directors, shall be ex-officio member of all standing committees, shall have general and active management of the business of the corporation, and shall see that all duties which are usually rested in the office of President of a corporation, including but not limited to, the appointment of committees from among the members as he may decide are appropriate to assist in the conduct of the

affairs of the corporation.

2. He shall execute all documents and contracts requiring a seal, under the seal of the corporation, except where the same are required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the corporation.

ARTICLE XVI. THE VICE PRESIDENTS

1. The Vice Presidents in the order of their seniority shall, in the absence or disability of the president, perform the duties and exercise the powers of the president, and shall perform such other duties as the Board of Directors shall prescribe.

ARTICLE XVII. THE SECRETARY AND ASSISTANTS

1. The Secretary shall attend all sessions of the Board and all meetings of the members and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notice of all meetings of the members and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or president, under whose supervision he shall be. He shall keep in safe custody the seal of the corporation and, when authorized by the Board, affix the same to any instrument requiring it and, when so affixed, it shall be attested by his signature or by the signature of the treasurer or an assistant secretary.

2. Assistant secretaries in order of their seniority shall,

in the absence or disability of the secretary, perform² the duties and exercise the powers of the secretary and shall perform such other duties as the Board of Directors shall prescribe.

ARTICLE XVIII. THE TREASURER AND ASSISTANTS

1. The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the Board of Directors.

2. He shall disburse the funds of the corporation as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the president and directors at the regular meeting of the Board, or whenever they may require it, an account of all of his transactions as treasurer and of the financial condition of the corporation.

3. Assistant treasurers in order of their seniority shall, in the absence or disability of the treasurer, perform the duties and exercise the powers of the treasurer and shall perform such other duties as the Board of Directors shall prescribe.

ARTICLE XIX. FIDELITY BONDS

If required by the Board of Directors, any officer or employee of the corporation handling or responsible for corporation funds shall give the corporation a bond, the premium therefor to be paid by the corporation, in such sum, and with such surety of sureties as shall be satisfactory to the Board for the faithful performance

of the duties of his office and for the restoration to the corporation, in case of his death, resignation, retirement or removal from office, of all his books, papers, vouchers, money and other property of whatever kind in his possessions or under his control belonging to the corporation.

ARTICLE XX. DIRECTORS' ANNUAL STATEMENT

The Board of Directors shall present at each annual meeting of the Directors and when called for by the vote of the members at any special meeting of the members, a full and clear statement of the business and conditions of the corporation. The annual statements shall include profit and loss statements and balance sheets prepared in accordance with sound business and accounting practice and copies thereof shall be furnished to each of the members.

ARTICLE XXI. CHECK

All checks or demands for money and notes of the corporation shall be signed by any two officers or such other persons as the Board of Directors may from time to time designate.

ARTICLE XXII. FISCAL YEAR

The corporation shall operate upon the calendar year beginning on the 1st. day of January and ending on the 31st. day of December of each year. The Board of Directors is expressly authorized to change from a calendar year basis to that of a fiscal year whenever deemed expedient for the best interests of the corporation.

ARTICLE XXIII. SEAL

The corporate seal shall have inscribed thereon the name of the corporation, the year of its incorporation and the words

"Corporate Seal, Commonwealth of Puerto Rico". Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

ARTICLE XXIV. MEMBERS' MEETINGS

1. All meetings shall be held at the office of the corporation or at such other place convenient to the members as is designated by the Board of Directors.

2. An annual meeting of members, commencing with the year 1996 shall be held on the third Saturday of July in each year if not a legal holiday, then on the next secular day following. The annual meeting shall be held by the members of each Neighborhood Area separate from the members of the other areas. At these meetings, the members will elect by plurality of vote, one member to the Board of Directors of the Association and transact such other business as may be properly brought before the meeting.

3. Written notice of the annual meeting shall be served upon or mailed to each member entitled to vote thereat, at such address as appears on the books of the corporation, at least ten (10) days prior to the meeting. Such notice shall state the time and place of the meeting.

4. At least ten (10) days before every election of directors, a complete list of the members entitled to vote at said election, arranged alphabetically with the residence of each, shall be prepared by the secretary. Such list shall be opened at the place where the election is to be held for said ten (10) days for the examination of any member, and shall be produced and kept at

the time and place of election during the whole time thereof, and subject to the inspection of any member who may be present.

5. Special meetings of all the members, for any purposes, unless otherwise prescribed by statute or by the Articles of Incorporation, may be called by the President or Secretary at the request in writing of a majority of the Board of Directors or at the request in writing signed by members having 25% of the total number of votes of all members of the Association. Such request shall state the purpose or purposes of the proposed meeting.

6. Referendum ballots or notice of any meeting shall be given to the members by the secretary. Referendum ballots or notice may be given to the member either personally, or by sending a copy of the ballot or notice through the mail, postage thereon fully prepaid to his address appearing on the books of the corporation. Each member shall register his address with the secretary and ballots or notices of meetings shall be mailed to his such address. Notice of any meeting, regular or special, shall set forth in general the nature of the business to be transacted, provided, however, that if the business of any meeting shall involve and be governed by the Articles of Incorporation or by the Covenants, or any action for which other provision is made in these By-Laws, notice of such meeting shall be given or sent as therein or herein provided. Anything herein to the contrary notwithstanding, any ballot or notice required to be given to any member or owner shall be deemed to have been properly given if sent to the person or entity who appears as owner in the corresponding

section of the Registry of Property, on the first day of the calendar month in which said notice is mailed. Notice to one (1) or two (2) or more co-owners shall constitute notice to all co-owners. It shall be the obligation of every member to immediately notify the secretary of the Association of any change of address or any change in the ownership of property entitling one to be a member of the Association.

7. The quorum required for any action governed by these By-Laws shall be as follows, unless otherwise provided: The presence of members or of proxies, entitled to cast sixty percent (60%) of the total vote of the Association shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the giving of proper notice, and the required quorum at such subsequent meeting shall be the presence of members or proxies entitled to cast fifty percent (50%) of the total vote of the membership of the Association.

8. When a quorum is present at any meeting, the vote of a majority of the members present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one upon which by express provision of the statutes, or of the Articles of Incorporation or of these By-Laws, a different vote is required, in which case such express provision shall govern and control the decision of such question.

9. At any meeting of the members, every member having the right to vote shall be entitled to vote in person, or by proxy

appointed by an instrument in writing subscribed by such member. All proxies must be filed with the secretary. No proxy shall extend beyond a period of eleven (11) months, and every proxy shall automatically cease upon sale by the member of his interest in the properties.

ARTICLE XXV. TRANSFER OF MEMBERSHIP

Membership in the corporation may be transferred only as an incident to the transfer of real property located within the Properties.

ARTICLE XXVI. INDEMNIFICATION

1. The corporation may indemnify any person made a party to an action by or in the right of the corporation to procure a judgment in its favor by reason of his being or having been a director or officer of the corporation, against the reasonable expenses including attorney's fees actually and necessarily incurred by him in connection with the defense or settlement of such action, or in connection with an appeal therein, except in relation to such matters as to which such director or officer is adjudged to have been guilty of negligence or misconduct in the performance of this duty to the corporation.

2. The corporation shall indemnify any person made a party to an action, suit or proceeding other than one by or in the right of the corporation to procure a judgment in its favor, whether civil or criminal, brought to impose a liability or penalty on such person for an act alleged to have been committed by such person in his capacity as a director or officer of the corporation, against

amended except as provided in the Covenants.

2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Covenants referred to in Section 1, and these By-Laws, the Covenants shall control.