

----- DEED NUMBER SIX HUNDRED THREE (603) -----

-DECLARATION OF RIGHTS, RESTRICTIONS, CONDITIONS -  
-- AND CONSTITUTION OF RESTRICTIVE COVENANTS AND -  
----- ESTABLISHMENT OF PROVISIONS FOR THE -----  
---- PANORAMA VILLAGE HOMEOWNERS ASSOCIATION -----  
-- INCORPORATED (ASOCIACION DE PROPIETARIOS DE --  
----- PANORAMA VILLAGE, INC.) -----

--- In the City of San Juan, Puerto Rico, on this sixth (6th) day of June, Nineteen Hundred Ninety Five (1995), -----

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

-----FRANCISCO M. VAZQUEZ SANTONI-----

Attorney-at-Law and Notary Public in and for the Commonwealth of Puerto Rico, with offices at the Lifetime Building, One Hundred Sixty Five Quisqueya Avenue, in the Ward of Hato Rey, City of San Juan, and with residence and domicile in the same city, -----

----- APPEARS -----

--- AS THE ONLY PART: PANORAMA, S. E., Employer Identification Number "66-047-1885" a Special Partnership organized and existing under the laws of the Commonwealth of Puerto Rico, represented herein by its Managing Partner, RAFAEL TORRELLAS PERRIER, Social Security "420-40-8665", of legal age, married to Ana Mercedes Fuentes, property owner and a resident of San Juan, Puerto Rico, hereinafter referred to in this deed as the "COMPANY". -----

--- I ATTEST as to my personal acquaintance with the appearing party and through his statements, as to his personal circumstances. He assures me that he has, and in my judgment he does have, the necessary legal capacity to execute this instrument, and he freely -----

----- SETS FORTH -----

--- FIRST: That the COMPANY is the owner in fee

simple of the property which descriptions in the Spanish language reads as follows (hereinafter referred to as the "Property":-----

---- PARCELA denominada "A Uno" (A-1) radicada en la Urbanización Panorama, situado en el Barrio Cerro Gordo de la Municipalidad de Bayamón, Puerto Rico, que se describe en el Plano de Inscripción de la urbanización con una cabida superficial de CIENTO SESENTA MIL CUATROCIENTOS CINCUENTA Y OCHO METROS CUADRADOS CON NUEVE MIL DOSCIENTOS CUARENTA DIESMILESIMAS DE METRO CUADRADO (160,458.9240 m.c.) equivalentes a CUARENTA CUERDAS CON OCHO MIL DOSCIENTOS CINCUENTA Y DOS DIEZMILESIMAS DE CUERDA (40.8252 Cdas.). Con lindes por el NORESTE en varias alineaciones, a saber, en veintinueve metros con doscientos diezmilésimas de metro (29.210 mts.) con Carretera Estatal Número Ciento Noventa y Nueve (PR 199) (Avenida Las Cumbres); en cuatro alineaciones y una distancia total de quinientos cincuenta y nueve metros con seiscientos cincuenta y nueve milésimas de metro (559.659 mts.) con Urbanización Alturas De San Souci; en seis alineaciones y un total de doscientos dieciocho metros con trescientos sesenta y cinco milésimas de metro (218.365 mts.) con terrenos propiedad de Rafael Ithier y terrenos propiedad de Manuel Reyes; por el SUROESTE en varias alineaciones a saber, en cincuenta y cuatro metros con doscientos cincuenta y ocho milésimas de metro (54.258 mts.) con terrenos propiedad de la Universidad Interamericana, en tres alineaciones y una distancia total de trescientos veintitres metros con setecientos sesenta y seis milésimas de metro (323.766 mts.) con terrenos propiedad de Panorama, S.E., (Urbanización Panorama Fase 1), en noventa y ocho metros con doscientos treinta y siete milésimas de metro (98.237 mts.) y en seis alineaciones, cinco en curva y una en recta, y con una distancia total de doscientos once metros con doscientos veintinueve milésimas de metro (211.229 mts.) con Parcela A-Dos ("A-2") propiedad de Panorama, S.E., que es la propiedad de la cual se segrega; por el SUROESTE, en varias alineaciones, a saber, en dos alineaciones y una distancia total de sesentiun metros con doscientos noventa y cinco milésimas de metro (61.295 mts.) con terrenos propiedad de Rafael Ithier y en varias alineaciones y una distancia total de cuatrocientos seis metros con setecientos trece milésimas de metro (406.713 mts.) con terrenos propiedad de Metropolitan Memorial Parks, Inc. (Los Cipreces Cemetery); por el NOROESTE en varias alineaciones y en una distancia total de ciento setenta metros con trescientos veintiseis milésimas de metro (170.326 mts.) con terrenos propiedad de Panorama, S.E. (Urbanización Panorama Fase 1), en una distancia de ciento setenta y un metros con doscientos cincuenta y dos milésimas de metro (171.252 mts.) con terreno propiedad de Panorama, S.E. y en una distancia de tres metros con ochocientos veintidos milésimas de metro (3.822 mts.) con servidumbre de Carretera Estatal Número Ciento Noventa y Nueve (PR 199) (Avenida Las Cumbres)." -----

--- The parcel of land herein described was

acquired by the COMPANY by deed number Two hundred seventy five (275) executed in San Juan, Puerto Rico on March twelve (12) nineteen hundred ninety three (1993), before Notary Public Francisco M. Vázquez Santoni pending registration at entry number sixty seven (67) of Daily Book Eight hundred twelve (812) of Bayamón. It is segregated from a parcel of land formed by grouping property number Two thousand seven hundred ninety two (2,792) recorded at page one hundred fifty three (153) leaf over of volume six hundred ninety eight (698) of Bayamón and Twenty seven thousand seven hundred ninety nine (27,799), recorded at page eighty four (84) of volume one thousand seventy (1,076) of Bayamón, Registry of the Property of Bayamón. -----

--- SECOND: That the Administration of Regulations and Permits, through a Permit dated the first (1st) day of June, Nineteen Hundred and Ninety Five (1995) approved the Construction Plan in Case Number Seventy One dash Zero Nine dash zero Nine Two dash URB (71-097-URB) of Panorama Development, Section Two (hereinafter referred to as "Panorama Village") on the property described hereabove.-----

--- THIRD: In order to obtain maximum protection against inharmonious land uses, assure permanent residential character to the neighborhood, maintain a continuing long term marketability of properties developed therein, the COMPANY hereby places the following easements, restrictions and obligations applicable to all of its successors, assignees or grantees of the Family Dwelling Units built on the Property described in paragraph FIRST, and over any other lots that may hereafter

be formed in Panorama Village, except such areas resulting from the development of the Property as appears from its Final Inscription Plan mentioned hereafter, said easements and restrictions to be considered as covenants running with the land: ---

----- One: Land Use and Building Type - Except for the areas designated in the Inscription Plan as "Neighborhood Facilities" and "Future Development" and "Remnant", respectively, no lot shall be used except for residential purposes. No building shall be erected, altered, placed or permitted to remain on any lot, except detached single family, patio homes and walk-up units and, no second floors or structures of any nature whatsoever shall be erected on the roofs on the houses constructed on the following lots: -----

--- A-Eleven through Nineteen (A-11 through A-19) both inclusive -----

--- B-Eleven through Twenty (B-11 through B-20) both inclusive -----

--- C-Nine through Twenty Three (C-9 through C-23) both inclusive and -----

--- D-Fourteen through Twenty Six (D-14 through D-26) both inclusive and -----

--- E-Fourteen through Twenty Six (E-14 through E-26) both inclusive. -----

----- Two: Architectural Control Committee - The Purchaser of any dwelling erected on any lot in the subdivision shall not improve or alter said dwelling until construction plans, specifications and a plan showing the location of the structure have been duly approved by the Architectural Control Committee designated by the Panorama Village Homeowners Association as established hereinafter, as to quality of workmanship and

materials, harmony of external design with existing structures, and as to location with respect to topography and finish grade elevation. Approval shall be as provided in paragraph THIRD, subparagraph Eleven below, by the members of said Committee.-----

----- The Construction of any type of structure or any addition or alteration to the actual dwelling shall be designed by a professional in the field of architecture, properly approved by the corresponding government agency, when such approval is necessary and shall not prevent in any way the reading from the street of the electrical energy consumption meters. The construction of a pool requires a previous Soil Test Study of the area where it will be located and, if any such construction is feasible, the plans must be duly certified by a licensed Civil Engineer. -----

----- Three: Minimum Floor Area - the minimum floor area of single detached dwelling constructed in any lot shall be One Thousand Six Hundred (1,600) Square Feet, One Thousand Two Hundred (1,200) for units normally known as "walk-ups" and One Thousand Six Hundred (1,600) Square Feet for Patio Homes. The quality of workmanship and materials used therein shall conform, as a minimum, to the standard of those used in the development at the date these covenants are hereby imposed. No dwelling shall be improved, or otherwise altered, on any lot without previous compliance with the requirement that said improvements or alterations be executed with the same materials and quality of workmanship as utilized in the original construction of said dwelling. -----

--- The dwelling unit shall be kept at all times

clean and painted with colors equal or similar to the ones used by the COMPANY or approved by the Architectural Control Committee. -----

----- Four: Building Location - No dwelling shall be located on any lot nearer to the front-lot- line or nearer to the side street line that the minimum building setback lines shown on the recorded plot. In any event, no dwelling shall be located on any lot nearer than ten (10) feet to the front-lot-line or nearer than ten (10) feet to any side-street line; no building shall be located nearer than ten (10) feet from the rear line of any lot free of obstruction. Unintentional deviation from the above building line restrictions not in excess of ten percent (10%) shall not be construed as a violation of these covenants.-----

----- Five: Lot, Area and Width - No individual dwelling units shall be erected or placed on any lot having an area less than three hundred fifty five (350) square meters a width of less than ten (10.00) meters at the minimum building setback line.-----

--- Each lot owner shall provide an enclosed concrete space for parking two (2) automobiles at least, off the street, in any dwelling constructed on his or her lot. Therefore, the space provided for such purpose shall not be enclosed or in any other way used for a different purpose other than parking except in the event that a particular owner may otherwise provide sufficient parking within his property without violating any other restrictions, including the ones established by reason of this Deed. -----

----- Six: Easements - Easements for installations and maintenance of utilities and drainage facilities are reserved as shown on the recorded plot. As to those lots affected by these

easements, no structure planting or other materials shall be placed or permitted to remain, which may damage or interfere with the installation and maintenance of utilities, or which may change, alter, affect, obstruct, retard or distrust the direction of flow or drainage channels in the easements. The easements are of each lot and all improvements in them shall be maintained continuously by the owner of the lot, except for those improvements for which a public authority or utility company is responsible. The easements and their improvements are to be maintained continuously by the owner of the lot, except for those improvements for which a public authority or utility company is responsible.-----

----- Seven: Drainage - No fence, structure, wall, materials or other obstruction may be erected or maintained in a manner to interfere with the drainage provided by the developer. -----

----- Eight: Nuisances - No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood, including any activity generating noise of more than sixty (60) decibels at thirty (30) feet distance from the source generated by amplified musical instruments, stereophonic equipment or the like. No animals, livestock or poultry of any kind shall be raised, bred or kept on any lot, except household pets, provided that they are not kept, bred or maintained for any commercial purposes. The owner of the lot shall comply with all the sanitary regulations of the Health Department and of any other governmental agencies in charge of the regulations of construction, health and environmental activities.

----- Each lot owner shall provide receptacles for garbage in a screened area not generally visible

from the street, or provide underground garbage receptacles or similar facilities. The streets shall not be used as play ground or working areas by the residents, especially to mix concrete or plastering when improvements to the residences are being made. -----

----- Any exterior conduits or pipes such as, but not limited to, the ones used for cable television, air conditioners and antennas running from the roof or the second floor of any Family Dwelling Unit must be located through the back side of the Dwelling Unit. In the event compliance with the above is not technically feasible, then any such pipes or conduits must be covered in a manner and design approved by the Architectural Control Committee and duly painted.-

----- Nine: Temporary Structures - No structure of temporary character, boat, trailer, basement, tent, shack, garage, barn or other outbuilding installation shall be used or located on any lot, at any time, as a residence, either temporarily or permanently. -----

----- Ten: Architectural Control Committee Membership - The Architectural Control Committee will be composed of three (3) persons to be designated by the Board of Directors of the Panorama Village Homeowners Association by a majority of votes. Any person so designated shall hold office for the term of one (1) year and shall continue holding such obligation until such time as his successor is designated. In the event anyone of said three persons dies or resigns from his position, the remaining members of the Committee shall have the power to select his substitute until the next election. The members of the Committee shall not be entitled to any compensation for services performed pursuant to this covenant. At any time, Panorama Village

Homeowners Association, by a majority of votes shall have the power, through a duly recorded written instrument, to change the membership of the Committee or to withdraw from the Committee or restore to it any of its powers and duties. The powers and all functions of the Architectural Control Committee shall be limited to those specified under subparagraph Two of the THIRD paragraph on this deed. -----

----- Eleven: Procedure - The Architectural Control Committee's approval or disapproval, as required in these covenants, shall be in writing. In the event the Committee or designated representative fails to approve or disapprove within thirty (30) days after plans and specifications for improvements and/or alterations to be performed by the particular owner have been submitted to it, approval shall be deemed given and the related covenants shall be deemed to have been fully complied with. -----

----- Twelve: Term - These covenants are to run with the land and shall be binding on all parties and all persons claiming under them for a period of twenty (20) years from the date these covenants are recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years, unless an instrument signed by a majority of the then owners of the lots has been recorded agreeing to change said covenants in whole or in part. -----

----- Thirteen: Enforcement - The restrictions established herein shall be enforced by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant, either to restrain violation or to recover damages. -----

----- Fourteen: Severability - Invalidation of any one of these covenants or of any of the

provisions of this Deed by judgment or court order shall in no way affect any of the other provisions hereof.-----

----- Fifteen: Fences and Protective Bars - All fences and iron or aluminum protective bars must have the prior approval of the Architectural Control Committee who will pass judgement upon the design, materials to be used in its construction and location of the fence within the lots. Any fences erected on the lots shall be in accordance with standing regulations of the Puerto Rico Planning Board and must be constructed with materials similar to the ones used in the construction of the Family Dwelling Units such as iron or aluminum bars, concrete cement, ornamental blocks or wood. Fences shall not be higher than six (6) feet and must be located within the boundaries of a lot or at the dividing line between lots. -----

----- As a guideline fences will be permitted on the front of each lot and seven (7) lineal meters on each side counting from the sidewalk as long as they are constructed with ornamental bars and with the design approved by the Architectural Control Committee. Fences known as "Cyclone Fence" are permitted only between lots and as long as they are located seven lineal meters away from the front sidewalk and on back boundary lines. Notwithstanding the above Cyclone Fences will not be permitted along the side streets on any corner lot.-----

----- All window protective bars or grills shall be placed inside the particular Family Dwelling Unit. Protective bars or grills for the front or sliding glass doors will require the prior approval of the Architectural Control Committee who will provide a standard design for the whole development comprising Panorama. -----

--- Sixteen: Special Restrictions Affecting Patio Homesites: -----

---- (a) Residential lots on which a patio wall is specifically designated on such lot are referred to herein as "Patio Homesites". Dwelling units constructed on Patio Homesites must be constructed so as to utilize a Patio Wall. Said Patio Wall shall be constructed simultaneously with a Patio Home and located so that the exterior of the same falls within the boundary of the lot, parallel to the designated lot line that appears on the recorded, subdivision plot, and with a setback, if any, of less than two (2) feet from the adjoining lot. -----

---- (b) The dwelling unit shall utilize a portion of the Patio Wall as one of its exterior walls and shall be constructed so that neither the Patio Wall nor the dwelling unit provides any window or view opening looking into or overlooking the adjacent lot and shall not provide any access or entry way into said adjacent lot. -----

---- (c) The cost of maintenance and repair of a Patio Wall shall be the sole responsibility of the lot owner on whose lot the same is situated. If not done by him the neighbor may do so. -----

---- (d) A three feet convenience easement shall be reserved on each lot between the boundary line of the adjacent lot, including the exterior of the Patio Wall, and the rest of the patio of the dwelling unit affected by the easement. This easement shall be used for the sole purpose of keeping and maintaining the adjoining patio wall. Said three feet easement area may be used by the affected lot owner for the planting and care of shrubbery and other landscaping providing the same does not interfere with the structural integrity of the Patio Wall and/or dwelling unit. -----

--- Seventeen: Blocks and Lots - The blocks and

lots affected by the restrictive covenants herein referred to, are the following, but shall not apply to Neighborhood Facilities, Future Development and Remnants or other areas resulting from the development of the Property as appears from its final Inscription Plan: -----

--- Block A, Lots One thru Nineteen (1-19); -----

--- Block B, Lots One thru Twenty (1-20); -----

--- Block C, Lots Nine thru Twenty Three (9-23); -

--- Block D, Lots One thru Twenty Six (1-26); ----

--- Block E, Lots One thru Twenty Six (1-26); ----

-- The COMPANY intends to construct Walk-Up units on the following lots: -----

--- Remnant One; -----

--- Remnant Two; -----

--- Parcel B -----

----- Eighteen: Temporary Members of the Architectural Control Committee - The "COMPANY"

hereby designates the following persons as temporary members of the Architectural Control Committee, until such time as they are duly replaced by the Panorama Homeowners Association at its first meeting: -----

---- (a) Juan Carmelo Torres Ramirez -----

---- (b) Enrique Fernández Muñoz -----

---- (c) Rafael Torrellas Perrier -----

---- In the event any of the aforesaid temporary members resigns from his position in the Architectural Control Committee, the Panorama Homeowners Association if duly constituted shall select his substitute from among home owners living in any of the lots covered by these protective covenants. If the Panorama Homeowners Association is not yet duly constituted, then the other two (2) remaining members shall name a person to fill out such vacancy. -----

---- PANORAMA VILLAGE HOMEOWNERS ASSOCIATION -----

--- FIFTH: The COMPANY deems it desirable, for the

effective preservation of the values and amenities in Panorama Village, to create an organization upon which to delegate and assign the power and authority of maintaining and administering the common properties and services 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 hereinbefore created. -----

--- To carry out the above, the COMPANY will cause to be incorporated under the laws of the Commonwealth of Puerto Rico, a non-profit corporation, known in the Spanish language as "Asociación de Propietarios de Panorama Village, Inc.", for the purpose of exercising the functions aforesaid, and which are hereinafter more fully set forth. -----

--- SIXTH: In order to effectively carry out the intent evidenced in the preceding paragraphs, the COMPANY declares that the Property, and such additions thereto as may hereafter be made, (except for any remnants or other areas resulting from the development of the Property) 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 hereinbefore set forth in this deed. -----

--- SEVENTH: 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 Propietarios de Panorama Village, Inc.", a non-profit corporation organized and existing under the laws of the Commonwealth of

Puerto Rico. -----

----- (b) The "Property" shall mean and refer to all the properties described in Paragraph FIRST and such additions thereto as may hereafter be brought within the jurisdiction of the Association through any Supplemental Declaration. -----

----- (c) "Common Properties" shall mean and refer to (i) the Gatehouse built by the COMPANY and (ii) any real or personal property acquired by the Association if said property is designated as "Common Property". All Common Property is to be devoted to and intended for the common use and enjoyment of the owners, their families, guests of the owners, persons occupying dwelling places or accommodations of owners on a guest or tenant basis, subject to the fee schedules and operating rules adopted by the Association, and 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 single family detached, walk-up or townhouse, dwelling unit located within the Property. -----

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

----- (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 PANORAMA, S.E., its

successors and assigns. -----

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

---EIGHTH: Membership and Voting Rights in the Association. -----

---Section A: Membership - Every owner shall be a 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 Units recorded in the Property Registry as individual properties with the exception of the COMPANY (except as set forth under Type "B" membership provisions below).

A Type "A" member shall be entitled to one vote for each Family Dwelling Unit which he owns. ----

----- Type "B" - Type "B" member shall be the COMPANY. The Type "B" member shall be entitled to the same number of votes as cumulatively held by all Type "A" members plus one up to September thirty (30), nineteen hundred ninety eight (1998) though 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, tenant 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 of 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 proxy, his act binds all. -----

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

----- (Three) If more than one vote, in person or by proxy, but the vote is evenly split on any particular matter, such fraction shall be entitled 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, a 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. -----

--- NINTH: 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 and every tenant and guest of such 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 titles 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

any Common Properties shown on recorded plats, if any, at such time as the COMPANY has completed improvements thereon, if such be required, and the Association, in the opinion of the COMPANY, is able to maintain such improvements, or if the Association is to be responsible for the construction of improvements, at such time as the COMPANY feels that the Association is capable of constructing such improvements. All said parcels of land for Common Properties, whether improved or unimproved, may be conveyed to the Association subject to all restrictive covenants of record at the time of the conveyance and subject to any existing mortgages. Notwithstanding anything in the foregoing to the contrary, the COMPANY shall not be required to convey the Common Properties or any part thereof and, in particular, the gatehouse, where such conveyance would be prohibited under any law, regulation or agreement existing on the date hereof but, in such case, shall be released from or allowed to postpone such conveyance, without penalty, until such time as said prohibition may be nullified. -----

---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 providing the services authorized herein and in aid thereof to mortgage said properties; and -----

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

-----(c) The right of the Association to take such steps as are reasonably necessary to protect the

Common 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 any guest or tenant of any member 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 regulations of the Association shall not constitute a waiver or discharge of the member's obligation to pay any 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 the Panorama Development are deemed to be public roads and streets under Puerto Rican 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, to provide for motorized security patrols and to maintain the public park. 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 the Panorama Development, including, but not limited, to types and sizes of vehicles permitted to use said roads, the maximum and minimum speeds of vehicles using the roads even if said speeds are more restrictive than the laws of Puerto Rico, but 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, and -----

----- (h) The right of the Association to give or sell all or any part of the Common Properties and including leasehold interests to any public agency, authority, or utility or private concern for such purposes and subject to such conditions as may be agreed to by the members, provided that no such gift or sale or determination as to the purposes or as to the conditions thereof shall be effective unless such dedication, transfer and determination as to purposes and conditions shall be authorized by the affirmative vote of three-fourths (3/4) of the votes cast by Referendum. A true copy of such resolution together with a certificate of the results of the vote taken thereon shall be made and acknowledged by the President or Vice-President and Secretary or Assistant Secretary of the Association and such certificate shall be annexed to any instrument of dedication or transfer affecting the Common Properties, prior to the recording thereof. Such certificate shall be conclusive evidence of authorization by the membership. -----

----- (i) The rights of reversion of the lessor of any Common Properties leased by the Association upon expiration of the lease. -----

---Section F - The COMPANY shall convey to the Association, subject to all the restrictions and limitations of the various Articles of this Declaration, the following properties: -----

----- (a) As Common Properties - Green areas and the security gatehouse. -----

-----The COMPANY expects to, in compliance with

Puerto Rican statutes, deed or transfer, to the Government of Puerto Rico, recreation areas, roads, circles and accompanying rights of way within the Property which shall be maintained by the Association as Common Properties. -----

---TENTH: 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 shall, 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 the monthly quota of Sixty Five Dollars (\$65.00) per unit for the purposes set forth in Section B of the paragraph, such assessments to be fixed, established and collected from time to time as hereinafter provided, such quota and any 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-ownership of a Family Dwelling Unit, all of such co-owners shall be jointly and severally liable for the entire amount of the assessment. -----

-----Section B - Purpose of Assessments. The

"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 by member referendum as herein provided. -----

---Section C - Assessments. Assessments made to owners of Family Dwelling Units shall be in accordance with the following schedule: -----

----- Per Annum Assessments -----

----- Family Dwelling Units -----

----- Seven Hundred and Eighty Dollars (\$780.00) payable on the basis of Sixty Five Dollars (\$65.00) per month. -----

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

-----The maximum annual 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 against such increase, or vote to increase said annual assessment by a greater amount. -----

-----The Board of Directors of the Association may, after consideration of current costs and future needs of the Association, fix the annual assessment for any year at an amount less than the applicable maximum annual 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 annual assessment at an amount less than the maximum and it is subsequently determined by the Board that the amount assessed will not be sufficient, the Board shall have the power to make a supplemental annual assessment, but in no event shall the sum of the initial and supplemental annual assessment in any

one year exceed the applicable maximum. -----  
---Section D - Special Assessments for Improve-  
ments and Additions. In addition to the annual  
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 annual 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 annual assessment for  
such a year, then, in such event, the excess  
thereof shall have the assent of three fourths  
(3/4) of the votes cast in a Referendum, at which  
vote the Class "B" votes shall not be applicable,  
except on votes pertaining to emergency or other  
repairs required as a result of storm, fire,  
natural disaster or other casualty loss. Such  
special assessment, in any one year, may not  
exceed a sum equal to the amount of the maximum  
annual 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  
annual assessment up to the maximum set forth in  
Section C of this Paragraph plus an additional  
special assessment which additional special

assessment, if considered alone may not exceed the amount set for the maximum annual assessment, for any amount up to the permitted maximum shall not affect its right to also make a special assessment during the year. -----

-----The Association may establish reserve funds equal to ten per cent (10%) of its receipts from its regular annual assessments to be held in reserve in an interest bearing account or investments 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 losses.-----

---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 per cent plus one percent (60% + 1%) of the total vote of the membership shall constitute a quorum. If the required quorum is not forthcoming at any such meeting, a second meeting may be called, subject to the giving of proper notice, and the required presence of members, whether in person or by proxy, entitled to cast fifty percent (50%) of the total vote of the membership of the Association, so long as Class B voting rights remain outstanding, and thereafter, for such second meeting, twenty five per cent (25%) of the total vote shall constitute a quorum. -----

---Section F - Date of Commencement and Proration Annual Assessments. Due Date. The annual assessments provided for herein shall commence on

the date of closing of each Family Dwelling Unit.

-----The first annual assessment shall be made for the twelve months ending December Thirty One (31), or prorats number of months remaining of the first year and shall become due and payable as of the first (1st) day of the month following the date of closing of each Family Dwelling Unit. The assessments for any given year after the first year shall become due and payable on January first (1st) of said year. The Board of Directors of the Association shall have the power to change the date upon which annual assessments become due and payable and also to determine the manner of payment of annual assessments, such as for instance, lump sum, monthly installments and the like, provided, however, that the annual assessments shall be due and payable at least annually. -----

-----Notwithstanding the above, the COMPANY shall have the right to determine the manner and mode of payment of its assessment obligations under the terms of this Declaration. -----

-----The due date of any special assessment under Section D hereof shall be fixed in the resolution authorizing such assessment. -----

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

The Board of Directors of the Association shall fix the amount of the assessment against each "Family Dwelling Unit" for each assessment period 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 owner.-----

-----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 shall become delinquent and shall, together with interest thereon, at the lesser of the maximum interest rate permitted by law, or the rate of twelve percent (12%) per annum from the due date plus the 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, in the hands of the then owner, its heirs, devisees, personal representatives and assigns. The personal obligation of the owner to pay such assessment at the time when the assessment first became due and payable, however, shall remain his personal obligation and shall not pass a personal obligation to his successors in title unless expressly assumed by them. -----

-----If the assessment is not paid within thirty (30) days, the Association may bring an action at law against the owner personally obligated to pay the same 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 is obtained, such 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. -----

---ELEVENTH: 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 Property; -----

----- (b) for sidewalks throughout the Property; -

----- (c) for police protection, private or public, including police stations and/or guardhouses and police equipment; -----

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

-----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 lands adjacent to public highways and other Common Properties within the Property and also all public properties which are located within, or in reasonable proximity to, the Property such that their deterioration would affect the appearance of the Property 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 Property; -----  
----- (d) police protection and security, including but not limited to the employment of police and security devices and control centers for the protection of persons and property within the Property, and assistance in the apprehension and prosecution of persons who violate the laws of Puerto Rico within the Property; -----  
----- (e) garbage and trash collection and disposal in addition to garbage and trash collection performed by the Municipality of Bayamón; -----  
----- (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 Property and to perform any of the functions or services or restrictions applicable to the Property; -----  
----- (i) to set up and operate an Architectural Control Committee in the event that the Association is designated by the COMPANY as the agent of the COMPANY for such purposes; -----  
----- (j) to provide special entertainment and festivals and cultural activities; -----  
----- (k) to construct improvements on Common Properties for use for any of the purposes 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; --  
----- (l) to provide general preventive maintenance, implement flood control programs within the Property and in general attend to the

upkeep of Common Properties. -----

---Section C - Obligations of the Association.

The Association shall not be obligated to carry out or offer any of the functions and services specified in Sections A and B of this Paragraph. 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 needs of the members of the Association. 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 a Referendum provided to that effect. -----

---Section D - Additional Authority. In

connection with all of the foregoing functions, the Association may, by itself or through a management company, improve, maintain, and operate the properties (Common Properties, and Family Dwelling Units), pay taxes and insurance thereon, construct improvements, repair, replace and make additions to the Common Properties, make payments for the cost of labor, equipment, materials, management and supervision necessary to carry out its authorized functions, and for the payment of principal, interest and other charges connected with loans made to, or assumed by the Association, including mortgages covering Common Properties at the time of conveyance to the Association. -----

--- TWELVE: The appearing party hereby requests the Registrar of the Property of Bayamón, Second Section, to record this Deed. -----

--- THIRTEEN: For purposes of their recordation in the corresponding Property Registry, the easements herein constituted are valued in the amount of ONE THOUSAND DOLLARS (\$1,000.00). -----

