

y, en tal virtud, libre y voluntariamente:_____

_____EXPONE_____

—**PRIMERO:** Que mediante Escritura 501, en adelante, "ESCRITURA 501", otorgada ante la Notario suscribiente el ocho (8) de noviembre de mil novecientos noventa y seis (1996), presentada al ASIENTO 258 del TOMO 127, del Libro Diario de Operaciones del Registro de la Propiedad de San Juan, Sección Cuarta, LEVITT constituyó restricciones de uso y edificación para la URBANIZACION ENTRERÍOS, la cual se describe a continuación, en adelante, "LA PROPIEDAD", presentada esta finca para su inscripción al ASIENTO 252 del TOMO 119 del Libro Diario de Operaciones del Registro de la Propiedad de San Juan, Sección Cuarta:_____

—"**URBANA:** Parcela de terreno de forma irregular que radica en el BARRIO DOS BOCAS del término municipal de TRUJILLO ALTO, Puerto Rico, con un área de 180,512.5303 metros cuadrados, equivalentes a 45.9274 cuerdas y en lindes, por el NORTE: con Rio Grande de Loíza; por el SUR: con Remnant Parcel F, Vía del Este II y Parcel F-12; por el ESTE: con Land 985 (Iturregui Farm); y por el OESTE: con Remnant PDR-13 y Remnant Parcel F."_____

—**SEGUNDO:** Que LEVITT desea extender y mediante esta escritura extiende las restricciones de uso y edificación constituídas en la ESCRITURA 501, a los siguientes solares que serán segregados de la Sección CORRIENTES de la Propiedad:_____

_____CO-1 al 52_____

—**TERCERO:** Que LEVITT desea extender y mediante esta escritura extiende a los solares enumerados en el párrafo Segundo anterior, las restricciones de uso y edificación a las cuales se hace referencia en la Escritura 502, ("Deed of Supplementary Declaration of Covenants and Restrictions, Encantada Development"), otorgada el ocho (8) de noviembre de mil novecientos noventa y seis (1996) y presentada al ASIENTO 259 del TOMO 127, del Libro Diario de Operaciones del Registro de la Propiedad de San Juan, Sección Cuarta._____

ACEPTACION

—Así lo dicen y otorgan los comparecientes ante mí, el(la) Notario, luego de haber renunciado al derecho que les advertí tenían de requerir la presencia de testigos instrumentales para este otorgamiento.-----

—Hechas por mí, el(la) Notario, las advertencias legales pertinentes y habiendo sido leída esta Escritura por los otorgantes, en la misma se ratifican y firman todos, habiendo puesto, además, sus iniciales en todas y cada una de las páginas de esta Escritura, de lo cual y de todo lo demás consignado en este instrumento público Yo, el(la) NOTARIO, DOY FE.-----

Por la presente certifico que el documento que antecede es copia fiel y exacta (simple) de su original el cual retengo en mi protocolo Notarial de acuerdo a las leyes de Puerto Rico y de la copia certificada que se presentó en el Registro de la Propiedad. -----



On the same date of--
its execution I-----
issued the first-----
certified copy of-----
this deed to LEVITT--
HOMES PUERTO RICO-----
INCORPORATED.-----
I ATTEST. -----

-----NUMBER: FIVE HUNDRED ONE -----

----- DEED OF DECLARATION OF COVENANTS AND -----
-----RESTRICTIONS, ENCANTADA DEVELOPMENT-----
----- ENTRERIOS -----

---In the City of Guaynabo, Commonwealth of Puerto
Rico, on this eighth (8th) day of NOVEMBER -----
nineteen hundred ninety six (1996).-----

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

---ESTELA I. VALLES ACOSTA, Attorney-at-Law and
Notary Public in and for the Commonwealth of Puerto
Rico, with offices in Guaynabo, Puerto Rico and
residence in Bayamón, Puerto Rico. -----

-----APPEARS-----

---AS SOLE APPEARING PARTY HEREIN: LEVITT HOMES
PUERTO RICO, INCORPORATED, whose social security
number is 66-0378415, a corporation organized and
existing under the laws of the Commonwealth of
Puerto Rico, and with principal office in Guaynabo,
Puerto Rico, represented herein JOSE F. SANTANA, of
legal age, married, business executive and a
resident of San Juan, Puerto Rico, whose faculties
appear in the Resolution dated October eight (8),
nineteen hundred ninety six (1996), before Notary
Public Estela I. Vallés Acosta; hereinafter
referred to as "LEVITT".-----

---I, the Notary, do hereby certify that I
personally know the appearing party herein and
through his statements as to his age, civil status,
profession and residence. He assures me that he
has and in my judgment he does have the necessary
legal capacity and knowledge of the English



language to execute this public instrument.

Wherefore he freely and voluntarily: -----

-----STATES-----

---FIRST: Pursuant to Deed Number 309, executed before the Notary Public Estela I. Vallés Acosta on July twenty two (22), nineteen hundred ninety six (1996), LEVITT formed the property which is described as follows in the Registry of Property:--

----"URBANA: Parcela de terreno de forma irregular que radica en el BARRIO DOS BOCAS del término municipal de TRUJILLO ALTO, Puerto Rico, con un área de 180,512.5303 metros cuadrados, equivalentes a 45.9274 cuerdas y en lindes, por el NORTE: con Rio Grande de Loíza; por el SUR: con Remnant Parcel F, Vía del Este II y Parcel F-12; por el ESTE: con Land 985 (Iturregui Farm); y por el OESTE: con Remnant PDR-13 y Remnant Parcel F." -----

-----TITLE-----

---SECOND: The aforesaid Deed Number 309 is presented for and pending recordation at ENTRY 252 of VOLUME 119 of the Book of Daily Entries of the Registry of Property of Puerto Rico, Fourth Section of San Juan.-----

-----CHARGES, LIENS AND ENCUMBRANCES-----

---THIRD: The property described in paragraph FIRST, above, is subject to public utilities easements and to covenants and restrictions.-----

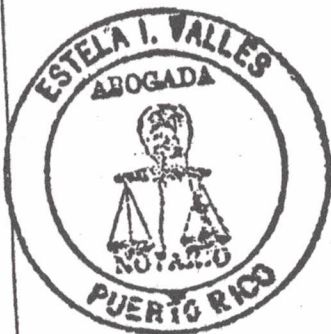
---FOURTH: LEVITT has received preliminary development approval for the development of the property described in paragraph FIRST, above, as SECTION THIRTEEN (13) of Encantada Development, pursuant to agreement adopted by the Administration for Regulations and Permits of the Commonwealth of Puerto Rico on July seventeen (17), nineteen hundred ninety six (1996), in Case Number PCU 96-19-0021 in Consultation Reference Number 85-19 (200622JPU) dated July ten (10), nineteen hundred eighty six (1986), as amended. Said parcel of land shall hereinafter be referred to as "ENTRERIOS".-



---FIFTH: As presently placed, ENTRERIOS will have certain green areas, slopes, permanent parks, security facilities, open spaces and other common facilities for the benefit of the residents thereof, hereinafter referred to as the "Common Facilities".-----

---SIXTH: LEVITT desires to provide for the preservation of the values and amenities in said ENTRERIOS community and for the maintenance of said Common Facilities, and to this end, desires to subject the real property described in paragraph FIRST, above, to the covenants, restrictions, easements, charges and liens, hereinafter set forth, each and all of which is and are for the benefit of said real property and each owner thereof. LEVITT has deemed it desirable for the efficient preservation of the values and amenities in said ENTRERIOS community, to create an agency to which should be delegated and assigned the powers of maintaining and administering the Common Facilities and administering and enforcing the covenants and restrictions and collecting and disbursing the assessments and charges hereinafter created. LEVITT has caused the incorporation of ENTRERIOS HOMEOWNERS ASSOCIATION, INC., as a non-profit corporation, under the laws of the Commonwealth of Puerto Rico, for the purpose of exercising the functions aforesaid. LEVITT declares that the real property described in paragraph FIRST, above, is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens (sometimes referred to as "covenants and restrictions") hereinafter set forth.-----

----ARTICLE I. Definitions.-----



-----Section 1. The following words when used in this Declaration or any Supplemental Declaration (unless the context shall prohibit) shall have the following meanings:-----

----- (a) "Association" shall mean and refer to the ENTRERIOS HOMEOWNERS ASSOCIATION, INC.-----

----- (b) "Common Properties" shall mean and refer to those areas of land (and improvements, if any, thereon) shown on any recorded subdivision plat of ENTRERIOS and expressly devoted by the Developer as Common Facilities to the common use and enjoyment of all of the owners of ENTRERIOS.-----

----- (c) "The Developer" shall mean LEVITT, its successors in title to the Properties and assigns.

----- (d) "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of ENTRERIOS as intended for development, use and occupancy as a single family, detached housing residential unit.-----

----- (e) "Living Unit" shall mean and refer to any portion of a building situated in ENTRERIOS designed and intended for use and occupancy as a residence by a single family.-----

----- (f) "Multifamily Structure" shall mean and refer to any building containing two or more Living Units under one roof except when each such Living unit is situated upon its own individual Lot.-----

----- (g) "Owner" or "Member" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot or Living Unit situated in ENTRERIOS but, notwithstanding any applicable theory of the mortgage, shall not mean or refer to the mortgagee unless and until such mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu



En la misma fecha de su otorgamiento-----
expedí primera copia certificada a favor--
de LEVITT HOMES-----
BUILDERS CORPORATION-----
---DOY FE.

---ESCRITURA NUMERO: **TRESCIENTOS TREINTA Y OCHO** ---

----- **ESCRITURA DE ENMIENDA** -----

----- **DE RESTRICCIONES DE USO Y EDIFICACION** -----

----- **URBANIZACION ENTRERÍOS** -----

----- **(SECCION CORRIENTES)** -----

—En la Ciudad de Guaynabo, Estado Libre Asociado de Puerto Rico, hoy día veinticuatro (24) de septiembre de mil novecientos noventa y siete (1997).-----

----- ANTE MI -----

—ESTELA I. VALLES ACOSTA, Abogado(a) y Notario Público en y para el Estado Libre Asociado de Puerto Rico, con oficinas en Guaynabo, Puerto Rico y residencia en Bayamón, Puerto Rico.-----

----- COMPARECE -----

—DE LA UNICA PARTE: **LEVITT HOMES PUERTO RICO, INCORPORATED**, Número de Seguro Social Patronal 66-037-8415, corporación doméstica con oficina principal en Guaynabo, Puerto Rico, representada por **JOSE F. SANTANA**, mayor de edad, casado, propietario y vecino de San Juan, Puerto Rico, cuyas facultades surgen del Certificado de Resolución Corporativa de fecha veinticuatro (24) de junio de mil novecientos noventa y siete (1997), ante la Notario Público Estela I. Vallés Acosta, en adelante, denominada "LEVITT".-----

—Yo, el (la) Notario, **DOY FE** de conocer personalmente al compareciente. **DOY FE** de la edad, estado civil, profesión y vecindad del compareciente según sus dichos. Me asegura tener, y a mi juicio tiene, la capacidad legal necesaria para este otorgamiento



of foreclosure.....

---ARTICLE II. Property Subject to This Declaration: Additions Thereto.

-----Section 1. Existing Property. The real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is particularly described in paragraph FIRST, above.....

-----Section 2. Additions to Existing Property.---

Additional lands may become subject to this Declaration in the following manner:-----

----- (a) Additions in Accordance with Encantada Master Plan. The Developer, its successors and assigns, shall have the right to bring within the scheme of this Declaration additional properties in future stages of the development, provided that such additions are in accord with the Encantada Master Plan. Unless otherwise expressly stated therein, such Encantada Master Plan shall not bind the Developer, its successors and assigns, to make the proposed additions or to adhere to the Encantada Master Plan in any subsequent development of the land shown thereon.

-----The additions authorized under this subsection shall be made by filing of record a Supplementary Declaration of Covenants and Restrictions with respect to the additional property which shall extend the scheme of the covenants and restrictions of this Declaration to such property.

-----Such Supplementary Declaration may contain such complementary additions and modifications of the covenants and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added properties and are not inconsistent with the scheme



of this Declaration. In no event, however, shall such Supplementary Declaration revoke, modify or add to the covenants established by this Declaration within ENTRERIOS.-----

----- (b) Mergers. Upon a merger or consolidation of the Association with another association as provided in its Articles of Incorporation, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association or, alternatively, the properties, rights and obligations of another association may, by operation of law, be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established by this Declaration within ENTRERIOS together with the covenants and restrictions established upon any other properties as one scheme. No such merger or consolidation, however, shall effect any revocation, change or addition to the covenants established by this Declaration within except as hereinafter provided.-----

---ARTICLE III. Membership and Voting Rights in the Association.-----

-----Section 1. Membership. The Developer and every person or entity who is a record owner of a fee or undivided fee interest in any Lot or Living Unit which is subject by covenants of record to assessment by the Association shall be a member of the Association, provided that any such person or entity who holds such interest merely as a security for the performance of an obligation shall not be a member.-----



-----Section 2. Voting 'ghts. The Association shall have two classes of voting membership:-----

-----Class A. Class A members shall be all those owners as defined in Section 1 with the exception of the Developer. Class A members shall be entitled to one vote for each Lot or Living Unit in which they hold the interests required for membership by Section 1. For purposes of meeting any voting requirement in this Deed, when Living Units are counted, the Lot or Lots upon which such Living Units are situated shall not be counted. When more than one person holds such interest or interests in any Lot or Living Unit all such persons shall be members, and the vote for such Lot or Living Unit shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such Lot or Living Unit.-----

-----Class B. Class B members shall be the Developer. The Class B member shall be entitled to three votes for each Lot or Living Unit approved for residential development in accordance with the preliminary development approval referred to in paragraph FOURTH, above, as amended from time to time, which Lot or Living Unit is owned by it (that is, until such Living Unit is first sold to an Owner), provided that the Class B membership shall cease and become converted to Class A membership on the happening of any of the following events, whichever occurs earlier:-----

----- (a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or-----

----- (b) when the Class B member voluntarily converts to Class A membership.-----



-----From and after the happening of these events, whichever occurs earlier, the Class B member shall be deemed to be a Class A member entitled to one vote for each Lot or Living Unit in which it holds the interests required for membership under Section 1.-----

-----Section 3. Suspension of Voting Rights.

Notwithstanding the provisions hereof, the Association shall have the right to suspend any Member's voting right (other than the right of the Developer) for any period during which any assessment or installment thereof shall remain unpaid for more than thirty (30) days.-----

---ARTICLE IV. Property Rights in the Common Properties.-----

-----Section 1. Members' Easements of Enjoyment.---

-----Subject to the provisions of Section 3, every Member shall have a right and easement of enjoyment in and to the Common Properties and such easement shall be appurtenant to and shall pass with the title to every Lot or Living Unit.-----

-----Section 2. Title to Common Properties.-----

The Developer may retain the legal title to the Common Properties until such time as it has completed improvements, if any, thereon and until such time as, in the opinion of the Developer, the Association is able to maintain the same but, notwithstanding any provision herein, the Developer hereby covenants, for itself, its successors and assigns that it shall convey the Common Properties to the Association (or to the proper governmental agency or instrumentality, where applicable), free and clear of all liens and encumbrances not later than the date of completion of the development. The Association shall be obligated to accept any



and all plat dedications and conveyances, easements or bills of sale made or delivered to it by the Developer which pertain to the Common Properties.

-----Section 3. Extent of Members' Easements.-----

---The rights and easements of enjoyment created hereby shall be subject to the following:-----

----- (a) the right of the Association, as provided in its Articles and Bylaws, to suspend the enjoyment rights of any member for any period during which any assessment remains unpaid for more than thirty (30) days, and for any period not to exceed thirty (30) days for any infraction of its published rules and regulations; and-----

----- (b) the right of the Association to charge reasonable admission and other fees for the use of the Common Properties; and-----

----- (c) the right of the Association to dedicate or transfer all or any part of the Common Properties to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members, provided that no such dedication or transfer, determination as to the purposes or as to the conditions thereof, shall be effective unless an instrument signed by Members entitled to cast two-thirds (2/3) of the votes of each class of membership has been recorded, agreeing to such dedication, transfer, purpose or condition, and unless written notice of the proposed agreement and action thereunder is sent to every Member at least ninety (90) days in advance of any action taken.---

---ARTICLE V. Covenant for Maintenance Assessments.-----

-----Section 1. Creation of the Lien and Personal



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and of the homes situated ENTRERIOS, including, but not limited to, the payment of taxes and insurance thereon and repair, replacement, and additions thereto, and for the cost of labor, equipment, materials, management, and supervision thereof; provided, however, in no event shall any part of the proceeds of such assessments be used for the particular benefit of an Owner.-----

-----No Owner may waive or otherwise escape liability for the assessment by non use of the Common Properties or services offered by the Association or by abandonment of his right to use the same.-----

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-----Section 3. Annual Assessments. The annual assessment shall be SEVEN HUNDRED FIFTY DOLLARS (\$750.00) per Lot or Living Unit, payable (i) in the case of all Owners, in four equal installments of ONE HUNDRED EIGHTY SEVEN DOLLARS WITH FIFTY CENTS (\$187.50), each, by trimesters in advance on the first day of January, April, July and October of each year. The first payment will be made when the Owner signs the Deed of Purchase and Sale for the Lot or Living Unit (Closing Date) and will be prorated on the basis of the days remaining in the trimester. In addition, on the Closing Date each Owner shall pay the next due trimester in advance. And, (ii) in the case of the Developer, the Developer shall contribute TWENTY FIVE DOLLARS (\$25.00) per month per unsold unit as a subsidy to the costs of the Association. After consideration of a budget based on current maintenance costs and future needs of the Association, the annual assessment may be adjusted upwards or downwards and the number and date of the installments may be changed in any given year by vote of the Board of



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Directors, for the next succeeding year, provided, however, that the adjustment does not exceed fifteen percent of the prior assessment.

-----Section 4. Special Assessments for Capital Improvements.

In addition to the annual assessments authorized by Section 3 hereof, the Association may levy in any assessment year a special assessment, applicable to that year only, for the purpose of defraying in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Properties, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds of the votes of the Directors who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Directors at least thirty (30) days in advance and shall set forth the purpose of the meeting.-----

-----The due date of any special assessment under Section 4 hereof shall be fixed in the resolution authorizing such assessment.-----

-----Section 5. Change in Basis and Maximum of Annual Assessments.

The Association may change the maximum and basis of the assessments fixed by Section 3 hereof prospectively provided that any such change shall have the assent of two-thirds of the votes of each class of Members who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all Members at least thirty (30) days in advance and shall set forth the purpose of the meeting.-----

-----Section 6. Quorum for Any Action Authorized Under Section 5. The quorum required for any



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action authorized by Sect 1 5 hereof shall be as follows:-----

-----At the first meeting called, as provided in Section 5 hereof, the presence at the meeting of Members, or of proxies, entitled to cast sixty (60) percent of all the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth in Section 5, and the required quorum at any such subsequent meeting shall be one-half of the required quorum at the preceding meeting, provided that no such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.-----

-----Section 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence on the Closing Date and shall be payable as stipulated in Section 3, hereof, and thereafter, on the first day of each trimester of the remaining calendar year. The annual assessments for any year thereafter for Owners other than the Developer, shall become due and payable on the first day of January, April, July and October of said calendar year.-----

-----Section 8. Duties of the Board of Directors. The Board of Directors of the Association shall fix the date of commencement and the amount of the assessment against each Lot or Living Unit for each assessment period at least thirty (30) days in advance of such date or 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 the Treasurer or another officer of the Association or by the Management Agent, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid in the absence of fraud or wanton and reckless misconduct.-----

-----Section 9. Effect of Non-Payment of Assessment; The Personal Obligation of the Owner; The Lien; Remedies of Association.

If any assessment is not paid on the date when due (being the dates specified in Section 7 hereof), then such assessment shall become delinquent and shall, together with such interest thereon and cost of collection thereof as hereinafter provided, thereupon become a continuing lien on the property which shall bind such property in the hands of the then Owner, his heirs, devisees, personal representatives and assigns. The personal obligation of the then Owner to pay such assessment, however, shall remain his personal obligation for the statutory period and shall not pass to his successors in title unless expressly assumed by them.-----

-----If the assessment is not paid within thirty (30) days after the delinquency date, the assessment shall bear interest from the date of delinquency at the lower of the rate of twelve percent (12%) per annum and the maximum rate of interest permitted by law and the Association may bring an action at law against the Owner personally



obligated to pay the same or to foreclose the lien against the property, and there shall be added to the amount of such assessment the costs 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 a reasonable amount for attorney's fee to be fixed by the court together with the costs of the action.-----

-----Section 10. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages now or hereafter placed upon the properties subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such property pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve such property from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment.-----

-----Section 11. Exempt Property. The following property subject to this Declaration shall be exempted from the assessments, charges and liens created herein: (a) all properties to the extent of any easement or other interest therein dedicated and accepted by the local public authority and devoted to public use; (b) all Common Properties as defined in Article I, Section 1 hereof; (c) all properties exempted from taxation by the laws of the Commonwealth of Puerto Rico upon the terms and to the extent of such legal exemption; and (d) all improved properties developed by the Developer as



commercial, industrial, institutional or other non residential use.-----

-----Notwithstanding any provisions herein, no land or improvements devoted to dwelling use shall be exempt from said assessments, charges or liens.-----

---ARTICLE VI. Functions of Association.-----

-----Section 1. Ownership and Maintenance of Common Properties.

The Association shall be authorized to 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 ENTRERIOS;-----

----- (b) for sidewalks, walking paths or trails, bicycle paths and bridle paths throughout ENTRERIOS;-----

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

----- (d) for emergency health care including ambulances and emergency care medical facilities and the equipment necessary to operate such facilities;-----

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

----- (f) for providing any of the services which the Association is authorized to offer under Section 2 of this Article;-----

----- (g) for purposes set out in deeds or long-term leases by which Common Properties are conveyed or leased to the Association, provided



that such purposes shall be approved by the Members of the Association as set out in Section 3 of this Article;-----

----- (h) for swimming pools, shelters, fishing decks and other recreational facilities of any nature, community meeting facilities, and commercial or service centers serving ENTRERIOS.----

----- (i) for open spaces, greenbelts and other green areas.-----

-----Section 2. 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 ENTRERIOS and all public properties which are located within or in a reasonable proximity to ENTRERIOS such that their deterioration would affect the appearance of ENTRERIOS as a whole;-----

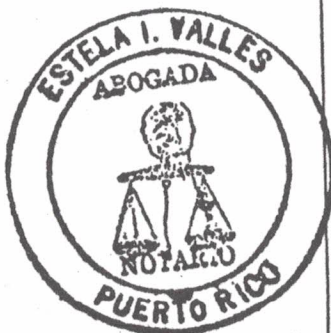
----- (b) Landscaping and reforestation of roads and parkways, sidewalks and walking paths and any Common Properties;-----

----- (c) operation of community transportation systems within ENTRERIOS, parking lots, and all associated services connected with such transportation;-----

----- (d) lighting of roads, sidewalks and walking paths throughout ENTRERIOS;-----

----- (e) 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 Existing Property, and assistance in the apprehension and prosecution of persons who violate the laws of Puerto Rico within ENTRERIOS;-----



----- (f) fire protection and prevention;-----
----- (g) garbage and trash collection and disposal;-----
----- (h) insect and pest control to the extent that it is necessary to supplement the service provided by the state and local governments;-----
----- (i) the services necessary to carry out the Association's obligations and business under the terms of this document;-----
----- (j) on a non-exclusive basis, to take any and all actions necessary to enforce all covenants and restrictions affecting ENTRERIOS and to perform any of the functions or services or restrictions applicable to ENTRERIOS;-----
----- (k) to set up and operate an Architectural Control Committee to evaluate and approve or disapprove (subject to a similar evaluation and approval by the Architectural Review Board of the Encantada Homeowners Association, Inc.) any proposed improvements or modifications to the Living and/or the Common Properties;-----
----- (l) to conduct recreation, sport, craft and cultural programs of interest to Members, their children and guests;-----
----- (m) to provide legal and scientific resources for the improvement of air and water quality within and adjacent to ENTRERIOS;-----
----- (n) to maintain a general library and collection of historical objects and documents pertaining to ENTRERIOS, Trujillo Alto, Puerto Rico and the Caribbean;-----
----- (o) to support the operation of transportation services between key points within ENTRERIOS, and between ENTRERIOS and public transportation terminals and public centers serving



the area surrounding ENTRE. S;-----

----- (p) to provide special entertainment and festivals;-----

----- (q) to construct improvements on the Common Properties for use for any of the purposes authorized in Section 1 of this Article, or as may be required to provide the services as authorized in this Section 2 of this Article;-----

----- (r) to provide telephone, water and sewage to all portions of ENTRERIOS;-----

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

----- (t) landscaping of any Lots whose Owner(s), in the sole judgment of the Association and after ten (10) days prior written notice to said Owner(s), have failed to maintain said Lot in adequate condition; provided, however, that in the event the Association performs any such landscaping service, the corresponding Owner(s) will be charged with the cost thereof and an additional twenty percent (20%) thereof to cover administrative costs, and if the corresponding Owner(s) shall fail to reimburse the Association within ten (10) days of demand, the charge shall become a special assessment and lien upon the particular Lot subject to the provisions of sections nine (9) and ten (10) of Article V hereof.-----

-----Section 3. Obligations of the Association.-----

---Except for the obligation to maintain the Common Properties and to pay the taxes assessed against the same, the Association shall not be obligated to carry out or offer any of the functions and services specified in Section 1 and 2 of this



Article. The functions and services to be carried out or offered by the Association at any particular time shall be determined by the Board of Directors of the Association taking into consideration the funds available to the Association and the needs of the Members of the Association. The functions and services which the Association is authorized to carry out or provide, may be added to or reduced at any time upon the affirmative vote of three fourths (3/4) of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Members at least thirty (30) days in advance and shall set forth the purpose of the meeting; provided, however, that the functions and services authorized may also be changed by merger or consolidation of the Association pursuant to Article II; Section 2, hereof and by the Bylaws of the Association.-----

-----Section 4. Loans, Mortgage and Pledges. The Association shall not have the power to borrow funds or to mortgage or pledge its property.-----

-----Section 5. Rules and Regulations. The Association, through the action of its Board of Directors, shall have the power to promulgate reasonable rules and regulations regarding the use and maintenance of ENTRERIOS and the imposition of fines to be levied against any Owner for failure to comply with the terms of this Declaration or any rules and regulations of the Association. Any rule or regulation subjecting any Owner to fines shall include provisions for notice, hearing, appeals and fines. Fines shall constitute an assessment due to the Association and upon failure to pay such fine within the period prescribed shall become a special



assessment as provided in Article V.-----

-----Section 6. Additional Authority. In connection with all of the foregoing functions, the Association may improve, maintain, and operate the Common Properties, pay taxes and insurance thereon, construct improvements, repair, replace, and make additions to the Common Properties, make payments for the cost of labor, equipment, materials, management and supervision necessary to carry out its authorized functions.-----

---ARTICLE VII. Restrictions Imposed on Lots and Living Units.-----

-----Section 1. Imposition of Restrictions and Lots and Living Units Covered. The following restrictions on use and changes to structures in ENTRERIOS are hereby imposed. These restrictions shall extend to the lots which are eventually segregated from ENTRERIOS to be dedicated to residential use, but not to lots developed for other purposes such as commercial, industrial, institutional lots or Common Property. The lots presently proposed in accordance with the preliminary development plan approved for ENTRERIOS and which upon segregation will be subjected to these restrictions are:-----

----- ER 1 THRU 18, both inclusive -----

----- ER 20 THRU 34, both inclusive -----

----- ER 39 THRU ⁵²₂₆₄ 213, both inclusive -----

-----Said preliminary development plan shall be subject to modifications by the Developer from time to time.-----

-----Section 2. Specific Restrictions. The specific restrictions which shall apply to the lots referred to in Section 1, above, are the following:



-----One. Structures and Uses: The lots shall be used only for residential purposes. Only structures which serve for housing a single family, which do not exceed two (2) stories and which have a carport and private garage with capacity for a maximum of three (3) automobiles may be constructed on the lots. No separate garage or accessory structure may be constructed. For any addition to a Living Unit, it shall be necessary to fulfill the zoning regulation requirements approved by the Planning Board of Puerto Rico and, also, that such addition shall not project beyond the front walls of the Living Unit, as originally constructed by the Developer, and that it be in harmony with the architecture, material and color thereof. The fences originally constructed by the Developer may be maintained, and in case of total or partial destruction, reconstructed. A new fence may be erected in the lateral or rear patio, but subject to the condition that it shall not project beyond the front wall of the Living Unit as originally constructed by the Developer. No Living Unit or part thereof shall be utilized for commercial purposes, irrespective of the nature of such commercial purposes. Only operational motor vehicles for personal use or operational family type motor vehicles used in the employment or work of the residents of the Living Units having valid and effective registration licenses may be parked, maintained or cleaned in the garages or Lots. Trucks, trailers campers and boats may not be parked in the Lots or streets of ENTRERIOS; they may only be parked inside the resident's garages. No offensive or bothersome activities or activities causing other residents inconveniences may be



conducted on the Lots or on the Living Units. No trailers, tents, shacks or structures of similar nature may be installed, constructed or located temporarily or permanently on the Lots.-----

-----Two. Alterations and Additions: Until the Planning Board of Puerto Rico, Administration for Regulations and Permits or other governmental agency or instrumentality having jurisdiction over this matter shall approve the corresponding plans and specifications duly certified by an engineer or architect with a license to practice in the Commonwealth of Puerto Rico, no structure may be constructed and no alteration or addition may be effected to the structures constructed on the Lots.-----

-----Three. Size and Cost of Living Unit: No residential unit costing less than FIFTY THOUSAND DOLLARS (\$50,000.00) based on cost prevailing at the date of execution hereof shall be constructed on any lot, except by the Developer. The purpose of this restriction is to assure that all residential units constructed in ENTRERIOS Development are of a minimum quality and that the materials used in their construction are substantially similar or better than those used initially by the Developer, taking into consideration the cost and size of the Living Units constructed by the Developer. The surface area of the principal structure, excluding garages and open porches or any structure constructed on the Lots shall be not less than ONE THOUSAND NINE HUNDRED THIRTY NINE SQUARE FEET (1,939.00 sq. ft.).-----

-----Four. Limits of Additions; Set-backs:-----

----- (a) On interior lots bound by only one



street, no structure or building may be located at a distance of less than ten feet (10 ft.) from the street line; nor at a distance of less than ten feet (10 ft.) from the rear boundary line of the Lot. The lateral patio may not be at a distance of less than ten feet (10 ft.) from the lateral patio of the adjoining lot or property line.-----

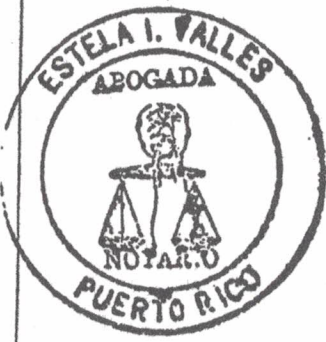
----- (b) On corner lots bound by two (2) or more streets, no structure or building, other than a carport, may be located at a distance of less than ten feet (10 ft.) from any lateral boundary of the Lot, nor at a distance of less than ten feet (10 ft.) from the rear boundary of the Lot.-----

----- (c) Radio or television antennas and satellite dishes or parabolic antennas (platos satélites o antenas parabólicas) are only permitted on the roof of the Living Unit. Radio or television antennas with a height of ten feet (10 ft.) or more and/or a width of five feet (5 ft.) or more on the roof of a Living Unit are prohibited. Satellite dishes or parabolic antennas with a height of five feet (5 ft.) or more and/or a width or diameter of three feet (3 ft.) or more on the roof of a Living Unit are prohibited. -----

----- Five. Width, Set-back and Area of Lot: -----

---No Living Unit may be erected on any Lot which has a width of less than fourteen point fifty meters (14.50 m.) and a set back of less than three meters (3.00 m.) from the front boundary of the Lot ("minimum building front set back line"), nor on any lots which have an area of less than three hundred nineteen square meters (319.00 s.m.).-----

----- Six. Signs: Other than those signs having two hundred forty square inches (240 sq. in.) or



less and announcing the name of the family and no signs of any kind visible to the public shall be permitted. Permitted signs may be illuminated only by non-flashing white light.-----

-----Seven. Perforations and Exploitation of

Mines: Except as may be authorized by a governmental agency or instrumentality with jurisdiction over the matter, no oil or petroleum refining operations, exploitations of mines or similar operations, installation of water, oil or petroleum tanks or wells, excavations of mines or installation of equipment to drill water, oil, petroleum or natural gas shall be permitted.-----

*-----Eight. Animals: Only a maximum of two (2) domestic animals, kept for non-commercial purposes, shall be permitted to be kept in any living unit.

*-----Nine. Waste: Waste shall only be permitted to be kept in the exterior of a Living Unit if deposited in a closed receptacle adequate for pick-up by the proper governmental or private waste removal agency or instrumentality.-----

-----Ten. Fences and Drainage: No fences or walls shall be permitted on any Lots other than those mentioned in Section 1, above. Shrubs and hedges may be planted, but in no event shall they exceed six feet (6 ft.) in height. The natural condition of the soil is that existing at the time of the purchase of the Lot or Living Unit. No fence, wall or other structure shall be constructed which obstructs drainage or any structure designed to facilitate the same. The fences provided at each Lot shall not be altered in any way by the Owner(s) other than repair or replacement of the same with materials of equal quality to those originally installed and subject to the approvals



herein required.-----

-----The fence or wall and the natural barriers which enclose ENTRERIOS shall not be modified or demolished except to reconstruct or substitute the same with another of not less height and solidity.

-----Eleven. Clotheslines for drying clothing and/or for drying any other articles may only be placed on the back patio of a Living Unit in such a way that the same and all articles set for drying outside the Living Unit are not visible from the street.-----

-----Twelve. The construction of wood terraces will be permitted only when they comply with the requirements established in Exhibit A made to form a part hereof.-----

----ARTICLE VIII. Architectural Control Committee.

-----Section 1. Establishment of the Committee and Delegation of Authority Thereto. ENTRERIOS

HOMEOWNERS ASSOCIATION, INC. ("the Corporation"), shall have a committee known as the Architectural Control Committee ("the Committee"), to which authority is presently delegated to enforce the restrictive covenants herein imposed. The Committee shall be composed of persons who are owners and residents of Lots or Living Units in ENTRERIOS. Until the Corporation designates the members of the Committee, the same shall be composed of the three (3) persons who act as incorporators of the Corporation. A majority of the Committee may designate a representative to act in its place. In case of death or resignation of any member of the Committee or in case any person designated as a member of the Committee shall not become an owner and resident of ENTRERIOS, the Committee shall have the power to name a successor.



Neither the members of the Committee nor their authorized representatives, nor the Corporation or any of its members shall have a right to receive compensation for services rendered in conformity with the provisions of this Deed.-----

-----Without limiting the generality of other powers given to the Corporation and/or the Committee, they shall have the power and authority to call a meeting of the residents of ENTRERIOS for the purpose of implementing and contracting guard or security services for the same, to paid out of the assessments imposed and collected by the Corporation.-----

----ARTICLE IX. Sales Activity and Developer's

Rights. Notwithstanding any provision herein to the contrary, until the Developer has completed, sold and conveyed all of the Lots within ENTRERIOS neither the Owners, nor the Association nor their use of the Common Areas shall interfere with the completion of the contemplated improvements and the sale of Lots, and any other sales activity of the Developer whether related to ENTRERIOS or to other developments of the Developer. The Developer (or its duly authorized agents or assigns) may make such use of the unsold Lots and the Common Areas as may facilitate such completion and sale including, but not limited to, the maintenance of sales offices, construction trailers, model homes, and/or parking lots, for the showing of the property and display of signs, billboards, flags, placards and visual promotion materials. The Developer shall have the right to use common parking spaces, if any, located on the Common Areas for prospective purchasers and such other parties as Developer determines. Developer reserves the right to



complete the development of ENTRERIOS, including the Common Areas, notwithstanding that a purchaser of any Lot has closed title to his Lot. Developer reserves the right to continue using as a sales office for the sale of property in other sections of Encantada Development, the sales offices used in ENTRERIOS, even after all Lots in ENTRERIOS have been sold. -----

-----ARTICLE X. General Provisions.-----

-----Section 1. Duration. The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by The Association, or the Owner of any land subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a term of fifteen (15) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years unless an instrument signed by the then-Owners of two-thirds of the Lots or Living Units has been recorded, agreeing to change said covenants and restrictions in whole or in part. Provided, however, that no such agreement to change shall be effective unless made and recorded one (1) year in advance of the effective date of such change, and unless written notice of the proposed agreement is sent to every Owner at least ninety (90) days in advance of any action taken.

-----Section 2. Notices. Any notice required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postpaid, to the last known address of the person who appears as Member or Owner on the records of the Association at the



time of such mailing.-----

-----Section 3. Enforcement. Enforcement of these covenants and restrictions shall be by any proceeding in law or in equity against any person or persons violating or attempting to violate any covenant or restriction, either to restrain violation or to recover damages, and against the land to enforce any lien created by these covenants; and failure by the Association or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.-----

-----Section 4. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise effect any other provisions which shall remain in full force and effect. -----

-----ACCEPTANCE-----

---The appearing party accepts this Deed as drafted and confirms that the same has been drawn in accordance with his instructions.-----

---I, the Notary, hereby certify that the appearing party read this Deed, that I advised the appearing party of his right to have witnesses present at its execution, which right he waived, and that I advised him of the legal effect of this Deed; and he acknowledged that he understood the contents of this Deed and such legal effect, and thereupon he signed this Deed before me affixing his initials to each and every page thereof.-----

---I further certify as to everything stated or contained herein.-----

---I, the Notary, DO HEREBY ATTEST.-----

I hereby certify that the preceding document is a true and exact (simple) copy of its original which I retain in my protocol and a certified copy of which will be presented in the Registry of Property.-----



---EXHIBIT A

---Se permitirá la construcción de terrazas en madera solamente, siempre y cuando cumplan con todos los siguientes requisitos:

1. los límites del área a cubrirse y las distancias con las colindancias estén dentro de lo establecido en las condiciones restrictivas y en los reglamentos de ARPE
2. el diseño guarde armonía con los rasgos arquitectónicos de la vivienda original según construida por LEVITT
3. sólo se utilicen materiales de techar con resistencia adecuada y anclaje que aseguren su permanencia fija a la estructura, prohibido el uso como materiales de techar el conocido "cartón de techar" u otros similares
4. los planos para la terraza deberán estar certificados, sellados y firmados por un ingeniero o arquitecto debidamente licenciado en Puerto Rico que garantice su diseño como uno resistente a cargas de huracán y terremoto según el código de diseño aplicable a Puerto Rico
5. la terraza se construya siguiendo estrictamente los planos aquí mencionados
6. se sometan los planos a Encantada Homeowners Association (la Asociación de Residentes de ENCANTADA) para su aprobación por el Comité de Control Arquitectónico antes de comenzar la construcción
7. se someta el plano para aprobación por ARPE antes de comenzar la construcción