

DEED OF DECLARATION OF RIGHTS, RESTRICTIONS,  
CONDITIONS AND OBLIGATIONS AND CONSTITUTION OF  
PROTECTIVE COVENANTS AND RESTRICTIONS FOR THE  
MARBELLA CLUB-----

---In the City of San Juan, Commonwealth of Puerto  
Rico, this twenty fifth (25<sup>th</sup>) day of May, Two  
Thousand One (2001).-----

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

---JAVIER A. FELICIANO GUZMAN, Attorney-at-Law and  
Notary Public in and for the Commonwealth of Puerto  
Rico, with offices in San Juan, Puerto Rico and  
residence in Guaynabo, Puerto Rico.-----

-----APPEARS-----

---AS THE SOLE PARTY: CANDELERO POINT PARTNERS,  
INC., a corporation organized and existing under  
the laws of the Commonwealth of Puerto Rico, with  
Social Security Number 66-0562045 (hereinafter the  
"Developer"), represented herein by its President,  
James B. Harvie, III, Social Security Number 052-  
40-8817, of legal age, married, executive and  
resident of Humacao, Puerto Rico, whose authority  
to appear herein on behalf of the Developer is  
evidenced by a certificate of corporate resolution  
executed by Francisco González-Nieto, Assistant-  
Secretary of the Developer on the sixth (6<sup>th</sup>) day of  
April, Two Thousand and One (2001), under affidavit  
number one thousand fifty four (1,054) of Notary  
Public Javier A. Feliciano Guzmán, the original of  
which shall be presented in the Registry of  
Property of Puerto Rico, Humacao Section  
(hereinafter the "Registry") together with the  
first certified copy of this Deed.-----

---I, the Notary, certify that I personally know  
the person appearing in this public instrument, and



*[Handwritten signature]*

through his statements, I certify as to his age, civil status, profession and residence. He assures me that he has, and in my judgement he does have, the necessary legal capacity to execute this instrument, wherefore, he freely and voluntarily, -

-----STATES-----

---FIRST: The Property. The Developer is the owner of record, with valid, good and marketable fee simple title ("pleno dominio") of the real property described in the Registry as follows (the "Property") :-----

-----"RUSTIC: Parcel of land identified in the Inscription Plan as Parcel RC dash Two (RC-2) located in the Candelero Ward of the Municipality of Humacao, Puerto Rico, with a total surface area equal to forty thousand four hundred twenty-five square meters with six thousand eight hundred sixteen ten thousandths of a square meter (40,425.6816 sq. m.) equivalent to ten cuerdas with two thousand eight hundred fifty-four ten thousandths of a cuerda (10.2854 cda.), with its boundaries as follows: -----

-----From point number Five Thousand Twenty-Eight (5028) with Lambert Coordinates, twenty-nine thousand three hundred twenty-nine meters and five thousand five hundred one ten thousandths of a meter (29,329.5501 m) NORTH and two hundred twenty thousand four hundred forty-four meters and six thousand three hundred ninety-one ten thousandths of a meter (220,444.6391 m) EAST, to point number Five Thousand Twenty-Nine (5029) with Lambert Coordinates, twenty-nine thousand three hundred ninety four meters and eight thousand nine hundred twenty-four ten thousandths of a meter (29,394.8924 m) NORTH and two hundred twenty thousand four hundred forty meters and four thousand five hundred eighty-two ten thousandths of a meter (220,440.4582 m) EAST, a straight line with a bearing North three degrees thirty-nine minutes thirty-nine seconds with eight hundred two thousandths of a second West (N 03° 39' 39.802" W) for a distance of sixty-five meters with four thousand seven hundred fifty-nine ten thousandths of a meter (65.4759 m) .-----

-----From point number Five Thousand Twenty-Nine (5029) with the aforesaid Lambert Coordinates to point number Five Thousand Thirty (5030) with Lambert Coordinates, twenty-nine thousand four hundred seventy-three meters and nine thousand two hundred eighty-five ten thousandths of a meter (29,473.9285 m) NORTH and two hundred twenty



thousand four hundred forty-eight meters and three thousand six hundred seventy-one ten thousandths of a meter (220,448.3671 m) EAST, a straight line with a bearing North one degree twenty-four minutes forty-nine seconds with eight hundred fourteen thousandths of a second East (N 01° 24' 49.814" E) for a distance of seventy-nine meters with six hundred two ten thousandths of a meter (79.0602 m).-----

-----From point number Five Thousand Thirty (5030) with the aforesaid Lambert Coordinates to point number Five Thousand Thirty-One (5031) with Lambert Coordinates, twenty-nine thousand five hundred seventeen meters and six thousand five hundred six ten thousandths of a meter (29,517.6506 m) NORTH and two hundred twenty thousand four hundred forty-eight meters and three thousand five hundred seventy-one ten thousandths of a meter (220,448.3571 m) EAST, a straight line with a bearing North seven degrees forty-five minutes thirty-six seconds with five hundred fourteen thousandths of a second East (N 07° 45' 36.514" E) for a distance of forty-four meters with one thousand two hundred sixty-two ten thousandths of a meter (44.1262 m).-----

-----From point number Five Thousand Thirty-One (5031) with the aforesaid Lambert Coordinates to point number Five Thousand Thirty-Two (5032) with Lambert Coordinates, twenty-nine thousand five hundred eighty-eight meters and three thousand two hundred ten thousandths of a meter (29,588.3200 m) NORTH and two hundred twenty thousand four hundred fifty-seven meters and one thousand ten thousandths of a meter (220,457.1000 m) EAST, a straight line with a bearing North seven degrees two minutes forty seconds with three hundred ninety-eight thousandths of a second East (N 07° 02' 40.398" E) for a distance of seventy-one meters with two thousands sixty-nine ten thousandths of a meter (71.2069 m).-----

-----From point number Five Thousand Thirty-Two (5032) with the aforesaid Lambert Coordinates to point number Five Thousand Thirty-Three (5033) with Lambert Coordinates, twenty-nine thousand six hundred seven meters and one thousand seven hundred forty-seven ten thousandths of a meter (29,607.1747 m) NORTH and two hundred twenty thousand four hundred fifty-three meters and one thousand one hundred twenty-two ten thousandths of a meter (220,453.1122 m) EAST, a straight line with a bearing North eleven degrees fifty-six minutes thirty-one seconds with seven hundred sixty-eight thousandths of a second West (N 11° 56' 31.768" W) for a distance of nineteen meters with two thousand seven hundred eighteen ten thousandths of a meter (19.2718 m).-----

-----From point number Five Thousand Thirty-Three (5033) with the aforesaid Lambert Coordinates to point number Five Thousand Thirty-Four (5034) with Lambert Coordinates, twenty-nine thousand six



hundred four meters and two hundred fifty-one ten thousandths of a meter (29,604.0251 m) NORTH and two hundred twenty thousand three hundred eighty-seven meters and four thousand nine hundred seventy-seven ten thousandths of a meter (220,387.4977 m) EAST, a straight line with a bearing South eighty-seven degrees fifteen minutes six seconds with five hundred fifty-six thousandths of a second West (S 87° 15' 06.556" W) for a distance of sixty-five meters with six thousand nine hundred ten thousandths of a meter (65.6900 m).-----

-----From point number Five Thousand Thirty-Four (5034) with the aforesaid Lambert Coordinates to point number Five Thousand Thirty-Five (5035) with Lambert Coordinates, twenty-nine thousand five hundred fifteen meters and six thousand two hundred forty ten thousandths of a meter (29,515.6240 m) NORTH and two hundred twenty thousand three hundred forty-three meters and two thousand seven hundred thirty-five ten thousandths of a meter (220,343.2735 m) EAST, a straight line with a bearing South twenty-six degrees thirty-four minutes thirty-eight seconds with three hundred twenty-five thousandths of a second West (S 26° 34' 38.325" W) for a distance of ninety-eight meters with eight thousand four hundred sixty ten thousandths of a meter (98.8460 m).-----

-----From point number Five Thousand Thirty-Five (5035) with the aforesaid Lambert Coordinates to point number Five Thousand Thirty-Six (5036) with Lambert Coordinates, twenty-nine thousand four hundred fifty-three meters and six thousand one hundred thirty-four ten thousandths of a meter (29,453.6134 m) NORTH and two hundred twenty thousand three hundred eight meters and five thousand five hundred twenty ten thousandths of a meter (220,308.5520 m) EAST, a circular curve with center at point number Five Thousand Forty (5040) with Lambert Coordinates twenty-nine thousand five hundred seven meters and five thousand five hundred fifty-five ten thousandths of a meter (29,507.5555 m) NORTH and two hundred twenty thousand two hundred eighty-four meters and nine thousand four hundred eighty-nine ten thousandths of a meter (220,284.9489 m) EAST, a radius of fifty-eight meters and eight thousand eight hundred ten thousandths of a meter (58.8800 m) and longitude of seventy-six meters with two thousand nine hundred sixty-six ten thousandths of a meter (76.2966 m).-----

-----From point number Five Thousand Thirty-Six (5036) with the aforesaid Lambert Coordinates to point number Five Thousand Thirty-Seven (5037) with Lambert Coordinates, twenty-nine thousand three hundred eighty-nine meters and seven thousand nine hundred eleven ten thousandths of a meter (29,389.7911 m) NORTH and two hundred twenty thousand two hundred fifty-five meters and seven thousand eight hundred twenty-five ten thousandths of a meter (220,255.7825 m) EAST, a straight line



with a bearing South forty-eight degrees twenty-two minutes sixteen seconds with thirty-eight thousandths of a second West (S 48° 22' 16.038" W) for a distance of eighty-eight meters with four thousand three hundred forty-two ten thousandths of a meter (88.4342 m).-----

-----From point number Five Thousand Thirty-Seven (5037) with the aforesaid Lambert Coordinates to point number Five Thousand One Hundred Fifty-Six (5156) with Lambert Coordinates, twenty-nine thousands three hundred forty-nine meters and three thousand six hundred seventy-one ten thousandths of a meter (29,349.3671 m) NORTH and two hundred twenty thousand two hundred thirty-eight meters and three thousand four hundred twenty-nine ten thousands of a meter (220,238.3429 m) EAST, a straight line with a bearing South five degrees, nine minutes thirty-one seconds with nine hundred fourteen thousandths of a second West (S 05° 09' 31.914" W) for a distance of forty five meters and six thousand eight hundred forty-three ten thousandths of a meter (45.6843 m).-----

-----From point number Five Thousand One Hundred Fifty-Six (5156) with the aforesaid Lambert Coordinates to point number Five Thousand Forty-Six (5046) with Lambert Coordinates, twenty-nine thousand three hundred forty-eight meters and nine thousand four hundred eighty ten thousands of a meter (29,348.9480 m) NORTH and two hundred twenty thousand two hundred forty-seven meters and eight hundred ninety-seven ten thousandths of a meter (220,247.0897 m) EAST, a straight line with a bearing South eighty seven degrees fifteen minutes twenty-five seconds with seventy-nine thousandths of a second East (S 87° 15' 25.079" E) for a distance of eight meters and seven thousand five hundred sixty-eight ten thousandths of a meter (8.7568 m).-----

-----From point number Five Thousand Forty-Six (5046) with the aforesaid Lambert Coordinates to point number Five Thousand Thirty-Eight (5038) with Lambert Coordinates, twenty-nine thousand three hundred twenty-seven meters and five thousand five hundred forty-five ten thousandths of a meter (29,327.5545 m) NORTH and two hundred twenty thousand two hundred forty-two meters and five thousand three hundred sixty-four ten thousandths of a meter (220,242.5364 m) EAST, a straight line with a bearing South twelve degrees zero minutes fifty-four seconds with eight hundred sixty-one thousandths of a second West (S 12° 00' 54.861" W) for a distance of twenty-one meters with eight thousand seven hundred twenty-seven ten thousandths of a meter (21.8727 m).-----

-----From point number Five Thousand Thirty-Eight (5038) with the aforesaid Lambert Coordinates to point number Five Thousand Thirty-Nine (5039) with Lambert Coordinates, twenty-nine thousand three hundred meters and three thousand seven hundred nineteen ten thousandths of a meter (29,300.3719 m)



NORTH and two hundred twenty thousand two hundred fifty-four meters and nine thousand ninety-seven ten thousandths of a meter (220,254.9097 m) EAST, a straight line with a bearing South twenty-four degrees twenty-eight minutes twenty-eight seconds with seven hundred twenty-one thousandths of a second East (S 24° 28' 28.721" E) for a distance of twenty-nine meters with eight thousand six hundred sixty-two ten thousandths of a meter (29.8662 m).--

-----From point number Five Thousand Thirty-Nine (5039) with the aforesaid Lambert Coordinates to point number Four Thousand Nine Hundred Fifty-One (4951) with Lambert Coordinates, twenty-nine thousand three hundred three meters and two thousand seven hundred twenty-four ten thousandths of a meter (29,303.2724 m) NORTH and two hundred twenty thousand two hundred seventy-three meters and seven thousand seven hundred four ten thousandths of a meter (220,273.7704 m) EAST, a straight line with a bearing North eighty-one degrees fifteen minutes twenty-six seconds with sixty-one thousandths of a second East (N 81° 15' 26.061" E) for a distance of nineteen meters with eight hundred twenty-four ten thousandths of a meter (19.0824 m).-----

-----From point number Four Thousand Nine Hundred Fifty-One (4951) with the aforesaid Lambert Coordinates to point number Four Thousand Nine Hundred Fifty-Two (4952) with Lambert Coordinates, twenty-nine thousand three hundred twenty-seven meters and seven thousand six hundred eighty-five ten thousandths of a meter (29,327.7685 m) NORTH and two hundred twenty thousand four hundred thirty-three meters and five hundred forty-three ten thousandths of a meter (220,433.0543 m) EAST, a straight line with a bearing North eighty-one degrees fifteen minutes twenty-five seconds with three hundred forty-seven thousandths of a second East (N 81° 15' 25.347" E) for a distance of one hundred sixty-one meters with one thousand five hundred sixty-five ten thousandths of a meter (161.1565 m).-----

-----From point number Four Thousand Nine Hundred Fifty-Two (4952) with the aforesaid Lambert Coordinates to point number Five Thousand Twenty-Eight (5028) with the aforesaid Lambert Coordinates, closing the perimeter in a straight line with a bearing North eighty-one degrees fifteen minutes twenty-six seconds with one hundred thirty-four thousandths of a second East (N 81° 15' 26.134" E) for a distance of eleven meters with seven thousand two hundred ten ten thousands of a meter (11.7210 m).-----

---The Developer acquired title to the Property pursuant to Deed Number sixty six (66) of Segregation, Release of Mortgages, Grouping, Purchase and Sale, Constitution of Easement,



Subordination of Mortgages and Constitution of Restrictive Covenants executed on December seventeen (17), nineteen hundred ninety eight (1998) before Notary Public Edgar F. Balzac Rivera, a certified copy of which was presented in the Registry on January seven (7), nineteen ninety nine (1999) and is pending recordation at Entry two hundred and forty seven (247) of Diary six hundred and eighty four (684) of the Book of Daily Entries of the Registry.-----

---**SECOND: LIENS AND ENCUMBRANCES.**-----

---By itself, the Property is subject to:-----

-----One: Restrictive Covenants constituted pursuant to Deed Number Sixty Six (66) executed on the Seventeenth (17<sup>th</sup>) day of December, nineteen ninety eight (1998) before Notary Public Edgar F. Balzac Rivera.-----

-----Two: Mortgage ("Mortgage A") securing a Mortgage Note in the principal amount of SIX MILLION SEVEN HUNDRED AND FORTY-TWO THOUSAND SIX HUNDRED AND TWENTY FIVE DOLLARS (\$6,742,625.00) payable to the order of Palmas del Mar Properties, Inc., bearing interest at an annual rate equal to the lower of eighteen percent (18%) or the highest rate permitted by law ("Mortgage Note A"), constituted pursuant to Deed number fifty six (56) executed on December seventeen (17), nineteen ninety eight (1998) before Notary Public María Luisa Fuster Zalduondo, a certified copy of which was presented in the Registry on January seven (7), nineteen ninety nine (1999) and is pending recordation at Entry two hundred and forty eight





(248) of Diary six hundred and eighty four (684) of the Book of Daily Entries of the Registry;-----  
-----Three: Mortgage ("Mortgage B") securing a Mortgage Note in the principal amount of FOURTEEN MILLION DOLLARS (\$14,000,000.00) payable to the order of BANCO SANTANDER PUERTO RICO, bearing interest at an annual rate equal to the lower of two hundred basis points over and above the London Interbank Offering Rate or the highest rate permitted by law ("Mortgage Note B"), constituted pursuant to Deed number Eighty (80) executed on December two (2), nineteen ninety nine (1999) before Notary Public Manuel Correa Calzada, a certified copy of which was presented in the Registry on February twenty five (25), two thousand (2000) and is pending recordation at Entry one hundred thirty five (135) of Diary seven hundred twenty one (721) of the Book of Daily Entries of the Registry. Mortgage B and Mortgage Note B were enlarged to the principal amount of FOURTEEN MILLION NINE HUNDRED AND FIFTY THOUSAND DOLLARS (\$14,950,000.00) pursuant to Deed Number Fifteen (15) executed on April two (2), two thousand one (2001) before Notary Public Manuel Correa Calzada, a certified copy of which was presented in the Registry on May eight(8), two thousand one (2001) and is pending recordation at Entry two hundred and ninety-nine (299) of Diary seven hundred and sixty-one (761) of the Book of Daily Entries of the Registry.-----  
-----Mortgage A was subordinated and postponed for the benefit of Mortgage B by virtue of Deed Number

One hundred Thirty Five (135) executed on December two (2), nineteen ninety nine (1999) before Notary Public Maria Luisa Fuster Zalduondo, a certified copy of which was presented in the Registry on February twenty five (25), two thousand (2000) and is pending recordation at Entry one hundred thirty six (136) of Diary seven hundred twenty one (721) of the Book of Daily Entries of the Registry, as amended by Deed Number Thirteen (13) executed on April two (2), two thousand one (2001) before Notary Public María Luisa Fuster Zalduondo, a certified copy of which was presented in the Registry on May eight (8), two thousand one (2001) and is pending recordation at Entry three hundred (300) of Diary seven hundred and sixty-one (761) of the Book of Daily Entries of the Registry.-----

-----Four: Easement over the Property in favor of the Puerto Rico Telephone Company, Inc. constituted by virtue of Deed Number Thirteen (13) executed on the thirteenth (13<sup>th</sup>) day of February, two thousand one (2001), before Notary Public Javier A. Feliciano Guzmán, a certified copy of which was presented in the Registry on the nineteenth (19<sup>th</sup>) day of March, two thousand one (2001) and is pending recordation at Entry sixty three (63) of Diary seven hundred and fifty seven (757) of the Book of Daily Entries of the Registry.-----

-----Five: Easement over the Property in favor of PDM Utility Corporation constituted by virtue of Deed Number Nineteen (19) executed on the twenty first (21<sup>st</sup>) day of February, two thousand one (2001) before Notary Public Javier A. Feliciano



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Guzmán, a certified copy of which was presented in the Registry on the nineteenth (19<sup>th</sup>) day of March, two thousand one (2001) and is pending recordation at Entry sixty two (62) of Diary seven hundred and fifty seven (757) of the Book of Daily Entries of the Registry.-----

-----Six: Rights, Restrictions, Conditions and Restrictive Covenants for the Palmas Del Mar Homeowners Association, Inc., By-laws, and regulations promulgated thereunder (collectively "PHA Covenants") extended over the Property pursuant to Deed Number Fourteen (14) executed on the twenty fifth (25<sup>th</sup>) day of May, two thousand one (2001) before Notary Public Eugenio Javier Torres Oyola ("Deed Number Fourteen (14)"), the first certified copy of which will be filed in the Registry together with, but prior to the first certified copy of this deed.-----

-----Mortgage A and Mortgage B were subordinated and postponed for the benefit of the PHA Covenants by virtue of Deed Number Fourteen (14).-----

-----Seven: Easement over the Property in favor of the Puerto Rico Electrical Power Authority constituted by virtue of Certification Number ninety nine dash two dash five hundred and twenty eight (99-2-528) executed on the fifteen (15) day of May, two thousand one (2001) a certified copy of which was presented in the Registry on May twenty second (22<sup>nd</sup>) two thousand one (2001) and pending recordation at Entry seven (7) of Diary seven hundred and sixty three (763) of the Book of Daily Entries of the Registry.-----



-----By its origin, the Property is also subject to the applicable easements and encumbrances of record at the Registry, at the time of execution of this public instrument.-----

--DECLARATION OF RIGHTS, RESTRICTIONS, CONDITIONS--  
--AND OBLIGATIONS AND CONSTITUTION OF PROTECTIVE--  
-----COVENANTS AND RESTRICTIONS-----

---THIRD: The Developer desires to develop and establish on the Property a first class planned residential development to be known as "The Marbella Club". The Marbella Club will be composed of various condominiums, together with certain facilities, amenities and services for the use and benefit of the property owners within such planned residential development, all as herein stated.-----

---FOURTH: The Developer desires to provide for the preservation of the values and amenities and for the maintenance of the common properties, facilities and services of The Marbella Club, the achievement of a harmonious appearance between all of its components and the promotion of the general welfare of all owners of any and all parts thereof and for this purpose, the Developer desires to subject the Property, together with such additions as may hereafter be made, as herein provided, to the covenants, restrictions, easements, affirmative obligations, charges and liens herein set forth, each and all of which is and are hereby declared to be for the benefit of the Property and each and every part and sub-division thereof, and each and every owner of any residential units of The Marbella Club, and all other parts thereof.-----



*[Handwritten signature]*



---NOW THEREFORE, the Developer hereby declares that the Property, together with any and all residential units, buildings, structures and amenities, and all additions thereto as now exist or as hereinafter may be developed, constructed, installed and/or located thereon, are and shall be owned, held, transferred, sold, conveyed, encumbered, used, occupied and improved, subject to the conditions, standards, covenants, restrictions, easements, reservations and charges specified in this deed (hereinafter collectively referred to as the "Covenants and Restrictions"), all of which are declared to be in furtherance of the orderly development of the Property as a first class planned residential development, and are established, created, declared, constituted and agreed upon for the purpose of enhancing and perfecting the value, desirability, and attractiveness of the Property, the Condominium Parcels (as hereinafter defined), the Condominium Regimes (as hereinafter defined), the Residential Units (as hereinafter defined), the Common Properties and Facilities (as said terms are hereinafter defined), the surrounding areas of the Property, and every part thereof, as hereinafter set forth. All the Covenants and Restrictions shall run with the Property, and all parcels of land segregated therefrom, including without limitation the Condominium Parcels, Condominium Regimes, Residential Units, Common Properties and Facilities, and/or any part thereof, and shall be binding on all parties having or acquiring any

right, title or interest in the Property, the Condominium Parcels, Condominium Regimes, Residential Units, Common Properties and Facilities, and/or any part thereof; shall be for the benefit of the Unit Owners (as hereinafter defined); and shall be binding upon each successor, in interest or otherwise, of the Unit Owners.-----

---**FIFTH: DEFINITIONS.**-----

---The following words or terms, when used in this Deed (unless the context shall clearly indicate otherwise) shall have the following meanings:-----

-----One: "Developer" shall mean and refer to Candelero Point Partners, Inc., a corporation duly organized and existing under the laws of the Commonwealth of Puerto Rico, its successors and assigns.-----

-----Two: "Property" shall mean and refer to the real property described in Paragraph FIRST of this Deed, all segregations or subdivisions thereof, all improvements placed, constructed or situated therein, including but not limited to the Common Properties and Facilities, and any other real property added thereto by grouping or otherwise.---

-----Three: "Condominium Parcels" shall mean and refer to any parcel of land located within the Property, except for Common Properties, Facilities and/or Areas to be Dedicated to Public Use (as hereinafter defined), which is or shall be segregated from the Property and intended for use as a site for a Condominium Regime.-----

-----Four: "Residential Unit" shall mean and refer to any apartment, condominium unit, or other type



of unit or group of such units, which is or will be part of any Condominium Regime within the Property.-----

-----Five: "Condominium Regime(s)" shall mean and refer individually or collectively, as the case may be, to any and all horizontal property regimes constituted or to be constituted on a Condominium Parcel segregated from the Property, pursuant to the provisions of Act Number One Hundred Four (104) of June twenty five (25), nineteen hundred fifty eight (1958), as amended (hereinafter the "Condominium Act"), including all Residential Units, General Common Elements and Limited Common Elements which form part of such Condominium Regime, pursuant to and in accordance with the corresponding Master Deed ("Escritura Matriz") dedicating such Condominium Regime(s) to the horizontal property regime under the provisions of the Condominium Act. -----

-----Six: "Unit Owner" shall mean and refer to both the original owner of any Residential Unit, including the Developer, as well as to any subsequent owner in fee simple title of a Residential Unit, whether recorded or not in the Registry, whether it be one or more natural persons, firms, associations, corporations, partnerships, trust or any other type of legal entities. -----

-----Seven: "General Common Elements" and "Limited Common Elements" shall mean and refer to the areas designated as General Common Elements and Limited Common Elements within any Condominium Regime,



pursuant to the documents governing each Condominium Regime. -----

-----Eight: "Common Properties" shall mean and refer to those tracts or portions of land identified and designated as "Common Properties" in The Marbella Club Master Plan (as hereinafter defined). The term "Common Properties" shall also include any real or personal property acquired by The Marbella Club Association (as hereinafter defined) after the execution of this Deed. -----

-----The Common Properties of The Marbella Club shall be composed of the (i) "General Common Properties" which are the areas to be devoted to and intended for the common use and enjoyment of all Unit Owners, their families, guests, persons occupying any Residential Unit as guests or tenants, and (ii) "Limited Common Properties" which are the areas to be devoted for the use and enjoyment of the Unit Owners which acquired the right to use the same, pursuant to the provisions of Section Seven of Article II hereof. All Common Properties are and shall at all times be subject to the ownership and operating rules adopted from time to time by The Marbella Club Association, which rules shall be established in compliance with applicable laws and regulations, the provisions of this Deed, and the Certificate of Incorporation and By-laws of The Marbella Club Association. -----

-----Title to the Common Properties shall be transferred and conveyed by the Developer to The Marbella Club Association in accordance with the provisions of this Deed, and particularly Section



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Eleven of Article II hereof.-----

-----Nine: "Facilities" shall mean and refer to any amenity, structure, personal property, equipment and any and all personal or real property located on the Common Properties such as, but not limited to the guard house, fences, any swimming pool, and ancillary facilities, sanitary facilities, gardens, gazebos and the like, trails, pathways, and the parking facilities located or to be located on the Common Properties, or elsewhere as herein provided.

-----All Facilities are to be devoted to and intended for the common use and enjoyment of the Unit Owners, their families, guests, persons occupying any Residential Unit as guests or tenants, subject to the (i) ownership and operating rules applicable to the Limited Common Properties, as set forth in Section Seven of Article II hereof, and (ii) operating rules and regulations adopted from time to time by The Marbella Club Association, which rules and regulations shall be established in compliance with applicable laws and regulations, the provisions of this Deed, and the Certificate of Incorporation and By-laws of The Marbella Club Association. -----

-----Title to the Facilities shall be transferred and conveyed by the Developer to The Marbella Club Association in accordance with the provisions of this Deed, and particularly Section Eleven of Article II hereof.-----

-----Ten: "Areas to be Dedicated to Public Use" shall mean and refer to those portions of the Property, if any, identified and designated in The





Marbella Club Master Plan (as hereinafter defined) as "PUBLIC USE". The term "Areas to be Dedicated to Public Use" may include any area to be reserved, dedicated and/or transferred to Public Use, if any, pursuant to any request from any governmental agency and/or municipal or state instrumentality with jurisdiction over the subject matter. The Areas to be Dedicated to Public Use, if any, shall be kept in the custody of and maintained by The Marbella Club Association, subject to the rules and uses herein established or from time to time adopted by The Marbella Club Association, the terms and conditions of this Deed, and the Certificate of Incorporation and By-laws of The Marbella Club Association, until such areas are transferred and conveyed to Public Use pursuant to any request from any governmental agency and/or municipal or state instrumentality with jurisdiction over the subject matter. Title to the Areas to be Dedicated to Public Use shall be transferred and conveyed by the Developer or The Marbella Club Association, if applicable, to the governmental entity with jurisdiction, pursuant to the provisions of this Deed, and particularly Section Twelve of Article II hereof. -----

-----Eleven: "The Marbella Club" shall mean and refer to the Property, all subdivisions and segregations thereof, including the Common Properties and any and all Condominium Parcels segregated from the Property, together with any and all improvements placed, constructed or situated therein, including but not limited to the

Condominium Regimes, Residential Units, and Facilities, as collectively conceptualized by the Developer in The Marbella Club Master Plan. -----

-----Twelve: "The Marbella Club Master Plan" shall mean and refer to the drawings and specifications which represent the conceptual plan of the Developer for the development of The Marbella Club, and any and all revisions, amendments and changes, present and future made thereto, in accordance with the provisions of this Deed, and particularly Article I hereof. Any reference to The Marbella Club Master Plan shall constitute a reference to the latest revision thereof. The Marbella Club Master Plan shall be initially available at the offices of the Developer and after the Developer terminates its membership in The Marbella Club Association, at the offices of The Marbella Club Association. -----

-----Thirteen: "Intended Use" shall mean the use intended for the various parcels within the Property (now existing or to be segregated therefrom) as designated and depicted in The Marbella Club Master Plan, or the use to which any particular parcel or strip of land is restricted by this Deed. -----

-----Fourteen: "The Marbella Club Association" shall mean and refer to The Marbella Club Homeowners Association, Inc., a non-profit corporation organized and established under the laws of the Commonwealth of Puerto Rico, which shall be the governing entity responsible for all duties and obligations relating to The Marbella



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Club, as set forth in this Deed and the Certificate of Incorporation and the By-Laws of The Marbella Club Association. -----

-----Fifteen: "By-laws of The Marbella Club Association" shall mean and refer to the By-laws which shall govern and regulate The Marbella Club Association, attached to this Deed as "Exhibit A" and made to form an integral part hereof. -----

-----Sixteen: "Master Board" shall mean and refer to the Board of Directors of The Marbella Club Association, which shall be responsible for implementing all duties and obligations of The Marbella Club Association, as set forth in this Deed and in the Certificate of Incorporation and the By-Laws of The Marbella Club Association. ----

-----Seventeen: "Services" shall mean and refer to any services which The Marbella Club Association is authorized to provide and/or contract (or caused to be provided or contracted, as the case may be) to, and for the benefit of, the Unit Owners, pursuant to the provisions of Section Two (C) of Article II hereof, and the Certificate of Incorporation and By-Laws of The Marbella Club Association. -----

-----Eighteen: "The Marbella Club Manager" shall mean and refer to the person or entity appointed by the Master Board to manage the business and affairs of The Marbella Club, pursuant to the terms and conditions of this deed and the By-laws of The Marbella Club Association.-----

-----Nineteen: "Palmas del Mar Resort" shall mean and refer to the lands located within the municipalities of Humacao and Yabucoa of the



Commonwealth of Puerto Rico which are part of the  
Palmas del Mar Development. -----

-----Twenty: "PHA" shall mean and refer to Palmas  
del Mar Homeowners Association, Inc., a non-profit  
Puerto Rico corporation, its successors and  
assigns, and any successor community or owners  
association within the Palmas del Mar Development.

-----Twenty one: "Registry" shall mean and refer  
to the Registry of Property of Puerto Rico, Humacao  
Section, or any other Section of the Registry of  
Property of Puerto Rico to which jurisdiction over  
the Property, Condominium Parcels, Condominium  
Regimes, Residential Units, Common Properties and  
Facilities, or any part thereof is assigned or  
conferred. -----

---SIXTH: The Covenants and Restrictions are as  
follows:-----

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

-----DEVELOPMENT OF THE MARBELLA CLUB PURSUANT-----  
-----TO THE MARBELLA CLUB MASTER PLAN-----

-----Section One: Review, Modification and  
Amendments to The Marbella Club Master Plan. The  
Developer intends to develop The Marbella Club in  
accordance with The Marbella Club Master Plan. The  
Developer reserves the right to review, amend and  
modify The Marbella Club Master Plan, at its sole  
and absolute discretion, from time to time based  
upon its continuing developing, construction and/or  
marketing needs. The Marbella Club Master Plan  
shall not bind the Developer, its successors and  
assigns, to adhere to The Marbella Club Master Plan  
in the development of the Property, or any parcel



of land shown thereon.-----  
-----Subject to its right to review, modify and amend The Marbella Club Master Plan as stated herein, the Developer shall convey to The Marbella Club Association the properties designated as Common Properties in The Marbella Club Master Plan (together with the Facilities located therein) as provided for in Section Eleven of Article II hereof, and in addition, may, at its sole option, convey to The Marbella Club Association as provided in Section Twelve of Article II hereof those parcels of land identified and designated as Areas to be Dedicated to Public Use, in its absolute and sole discretion, without regard to the relative location of such portions or sections within the overall of the The Marbella Club Master Plan. The Developer shall have full power to add to, subtract from, make changes, supplement or modify The Marbella Club Master Plan, regardless of the fact that such actions may alter the relative voting strength and/or proportionate share of the (i) ownership of the Common Properties and Facilities and (ii) annual and special assessment obligations of each Unit Owner.-----

-----**Section Two: Additions and/or Reductions to the Property; Additional Covenants and Restrictions.** Any part of the Property, and any parcel of land or portion(s) thereof may become subject to or released from this Deed in the following manner:-----

-----**(A) Additions** - The Developer, its successors, and assigns shall have the right, without requiring



the consent from The Marbella Club Association, to bring within the plan, operation and effect of this Deed, and hence, the Covenants and Restrictions, by grouping or otherwise, additional properties in future stages of the development of The Marbella Club.-----

-----The additions authorized under this and the succeeding subsections shall be made by filing with the Registry a public deed with respect to the additional property to which this Deed and the Covenants and Restrictions shall extend.-----

-----The aforesaid public deed may contain any such complementary additions and/or modifications of the Covenants and Restrictions as may be necessary or convenient, in the sole and absolute discretion of the Developer, to reflect the different character, if any, of additional properties brought within the plan, operation and effect of this Deed, and hence, the Covenants and Restrictions.-----

-----**(B) Reductions** - The Developer, its successors and assigns shall have the right, without requiring the consent of The Marbella Club Association, to release from the plan, operation and effect of this Deed and hence, the Covenants and Restrictions, by segregation or otherwise, any portion of the Property. The reduction authorized under this subsection shall be made by filing with the Registry a public deed with respect to such portions of the Property to be released from the plan, operation and effect of this Deed, and hence, the Covenants and Restrictions.-----





-----**(C) Additional Covenants and Restrictions** - It is the intention of the Developer to segregate from the Property after the date hereof the parcels of land designated and identified in The Marbella Club Master Plan as Condominium Parcels. These Condominium Parcels, and the corresponding Condominium Regimes to be constituted after the date hereof may have their own covenants and restrictions which (i) are and shall be in addition to, and not in substitution of, and (ii) shall not be in conflict in any manner whatsoever with the Covenants and Restrictions herein set forth. Should the Covenants and Restrictions of The Marbella Club Association cease to exist, the individual covenants and restrictions of each Condominium Parcel and/or Condominium Regime therein dedicated shall continue to exist according to their respective terms and conditions. The Developer may execute from time to time public deeds setting forth any additional Covenants and Restrictions applicable to each Condominium Parcel, and the corresponding Condominium Regimes therein dedicated, if any, and shall file in the Registry said deeds.-----

-----The Covenants and Restrictions shall prevail and have precedence (unless otherwise held invalid by a final and unappealable decision by a court with jurisdiction over the subject matter) over the covenants and restrictions that may be established after the date hereof by the Condominium Regimes.

-----**Section Three: Creation of Horizontal Property Regimes**. It is the intention of the Developer to

develop in the Condominium Parcels, first class residential condominiums to be dedicated to the horizontal property regime pursuant to the provisions of the Condominium Act. Any and all Condominium Regimes to be developed on the Condominium Parcels, including all the Residential Units, and the General and Limited Common Elements which form part of such Condominium Regimes pursuant to and in accordance with the corresponding Master Deed dedicating such Condominium Regimes to the horizontal property regime, shall form part of The Marbella Club and thus, be governed by this Deed and the Covenants and Restrictions herein set forth, the Certificate of Incorporation and By-Laws of The Marbella Club Association, the Condominium Act and the corresponding Master Deed dedicating such Condominium Regimes to the horizontal property regime, and its corresponding by-laws, if any, to the extent not inconsistent with the Covenants and Restrictions set forth herein. -----



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

-----THE MARBELLA CLUB-----  
 -----HOMEOWNERS ASSOCIATION-----

-----Section One: Creation of The Marbella Club Homeowners Association.-----

-----In order to achieve the efficient preservation of the values and amenities of The Marbella Club, the Developer deems it desirable to create an entity in which to delegate and assign the power and authority of (i) maintaining, administering and enforcing the Covenants and Restrictions herein

created, (ii) collecting, administering and disbursing all assessments, fees and charges necessary for such maintenance, administration and enforcement, (iii) providing the Services to the Unit Owners, and (iv) ensuring and enforcing full compliance with the terms and conditions herein set forth.-----

-----To carry out the above, the Developer established under the laws of the Commonwealth of Puerto Rico, a non-profit corporation known as "The Marbella Club Homeowners Association, Inc." for the purpose of exercising the aforesaid functions, all of which are hereinafter more fully set forth.-----

-----Section Two: Functions of The Marbella Club Association.-----

-----(A) Administration and Maintenance of Common Properties, Areas to be Dedicated to Public Use and Facilities. The Marbella Club Association shall administer and maintain the Common Properties, the Areas to be Dedicated to Public Use, if any, until such areas are dedicated and transferred to Public Use pursuant to the requirement of any governmental agency or municipal and/or state instrumentality and the Facilities, including all equipment, fixtures, furnishings and improvements located within the Common Properties devoted for the following uses: -----

-----(1) for roads or roadways and land adjacent to roads throughout The Marbella Club;-----

-----(2) for sidewalks, walking paths or trails, and bicycles paths throughout The Marbella Club;---

-----(3) for security and/or guard protection



including security and/or guard stations and/or security equipment;-----

----- (4) for utility services including water, pluvial, irrigation, sewage and sanitary installations as may be permitted by applicable laws and government regulations;-----

----- (5) for the purposes set out in the deeds pursuant to which the Common Properties and Facilities are or shall be conveyed to The Marbella Club Association;-----

----- (6) for swimming pools and other recreational facilities of any nature, gazebos, community meeting facilities, and other facilities serving The Marbella Club; and-----

----- (7) for parking, including parking areas and related facilities for The Marbella Club.-----

----- (B) Administration and Maintenance of General and Limited Common Elements. The Marbella Club Association shall administer and maintain, or cause to be maintained, the General and Limited Common Elements of the Condominium Regimes, in accordance with the provisions of this Deed, the corresponding documents governing each Condominium Regime, and if and to the extent applicable for the purpose of supplementing any of the foregoing, the Condominium Act. -----

----- (C) Services. The Marbella Club Association shall be authorized to provide, or cause to be provided, the following services: -----

----- (1) cleanup and maintenance of all lawns, roads, roadways, parkways and lands located within the Property, including any and all portions of the



(i) Common Properties, (ii) General and Limited Common Elements of the Condominium Regimes, and (iii) Areas to be Dedicated to Public Use located within The Marbella Club such that their deterioration would affect the appearance of The Marbella Club as a first class residential community; -----

----- (2) maintenance and painting of all buildings and facilities located within the Property, including any and all portions of the (i) Common Properties, (ii) General and Limited Common Elements of the Condominium Regimes, and (iii) Areas to be Dedicated to Public Use located within The Marbella Club such that their deterioration would adversely affect the appearance of The Marbella Club; -----

----- (3) landscaping and reforestation of roads and parkways, sidewalks and walking paths and any portion of the (i) Common Properties and (ii) General and Limited Common Elements of the Condominium Regimes; -----

----- (4) lighting of roads, sidewalks and walking paths throughout any portion of the (i) Common Properties, and (ii) General and Limited Common Elements of the Condominium Regimes; -----

----- (5) private police protection and security, including but not limited to the employment of private police and security devices and control centers for the protection of persons and property within The Marbella Club, and assistance in the apprehension and prosecution of persons who violate the laws of the Commonwealth of Puerto Rico within





the same; -----  
----- (6) garbage and trash collection and disposal,  
to the extent it is necessary to supplement the  
service provided by the state and local  
governments, and the PHA;-----  
----- (7) insect and pest control; -----  
----- (8) the services necessary to carry out The  
Marbella Club Association's obligations and  
business under the terms and conditions of this  
Deed;-----  
----- (9) maintenance of all ravines, retention  
ponds, ponds and lagoons located within The  
Marbella Club, if any;-----  
----- (10) to take any and all actions necessary to  
enforce the Covenants and Restrictions affecting  
The Marbella Club and to perform any of the  
functions or Services or restrictions applicable  
thereto or in connection therewith;-----  
----- (11) to conduct recreation, sport, craft, and  
cultural programs of interest to the Unit Owners,  
their children and guests;-----  
----- (12) to provide special entertainment and  
festivals;-----  
----- (13) subject to any applicable restriction  
herein contained, to construct improvements on the  
Common Properties for the use and enjoyment of the  
Unit Owners for any purpose authorized in Section  
Two (A) of this Article II, or as may be required  
to provide the Services as authorized in this  
Section Two (C) of this Article II; -----  
----- (14) to provide general preventive  
maintenance, implement flood control programs



within The Marbella Club, and in general attend to the upkeep of the (i) Common Properties and Facilities and (ii) General and Limited Common Elements of the Condominium Regimes, to maintain The Marbella Club as a first class residential project; -----

----- (15) to implement a wildlife protection plan for animals and vegetation which habitat is located within or adjacent to the Property, including but not limited to turtles and any and all other protected species, all in accordance with any applicable federal and/or local law, regulation or plan, including but not limited to the "Sea Turtles Habitat Conservation Plan, Palmas del Mar, Humacao, Puerto Rico" (hereinafter the "Sea Turtles Conservation Plan"), a copy of which shall be kept at the Administrative Office of The Marbella Club Association and made available to the Unit Owners for their review and knowledge.-----

---(16) any and all other services necessary or convenient for the benefit of the Unit Owners, not inconsistent with the provisions of this Deed. ---

-----It is expressly stated in this Deed that neither the Developer nor The Marbella Club Association will provide or be responsible for the provision of lifeguard services, and that swimming in the beach or the swimming pool of The Marbella Club shall be solely at the risk of the Unit Owners and their guests and/or lessees.-----

-----**Section Three - Obligations of The Marbella Club Association.** The Functions and Services to be carried out or offered by The Marbella Club

Association or caused to be carried out or offered as the case may be, at any particular time shall be determined by the Master Board, taking into consideration the funds available to The Marbella Club Association and the needs or desires of the Unit Owners. The Functions and Services which The Marbella Club Association is authorized to carry out or provide may be increased or reduced at any time upon the affirmative vote of three fourths (3/4) of the votes of all the Unit Owners of The Marbella Club pursuant to the provisions of Section Five(C)(2) hereof provided, however, that the functions of administering and maintaining the Common Properties, Facilities, and Areas to be Dedicated to Public Use, as set forth in Subsections Two (A), and Two (C) of this Article II may not be eliminated, amended or diminished in any way, form or manner whatsoever.-----

-----**Section Four - Additional Authority.** In connection with all of the foregoing functions and services, The Marbella Club Association may improve, maintain, administer, regulate and operate the (i) Common Properties, Areas to be Dedicated to Public Use and Facilities and (ii) General and Limited Common Elements of the Condominium Regimes, pay taxes and insurance thereon, construct improvements, repair, replace and make additions to the (i) Common Properties, Areas to be Dedicated to Public Use and Facilities and (ii) General and Limited Common Elements of the Condominium Regimes, 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 Marbella Club Association.-----

-----**Section Five - Membership and Voting Rights of The Marbella Club Association.**-----

-----**(A) Membership** - Every Unit Owner must and shall be a member of The Marbella Club Association.

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The Developer shall be a member of The Marbella Club Association, until it terminates its membership thereto pursuant to the provisions of Section Thirteen of Article II hereof. The membership of all Unit Owners in The Marbella Club Association is mandatory. -----

-----**(B) Voting Rights** - The Marbella Club Association shall have two types of voting membership:-----

-----**Type A Members** - The Type A Members shall be all the Unit Owners, with the exception of the Developer. A Type A Member shall be entitled to one (1) vote for each Residential Unit owned by a Unit Owner and recorded in the Book of Unit Owners of The Marbella Club in his or her name.-----

-----**Type B Member** - The Type B Member shall be the Developer. The Type B Member shall be entitled to the same number of votes as cumulatively held by all Type A Members in the aggregate, plus one (1) vote, until the Developer terminates its membership to The Marbella Club Association pursuant to the provisions of Section Thirteen of Article I hereof, in order to allow the Developer to have a all times a majority of the votes. -----



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-----In the event a Residential Unit owned by a Type A Member is owned and recorded in the Book of Unit Owners of The Marbella Club in the name of two or more persons or entities, whether fiduciaries, joint tenants, tenants in common, tenants in partnership or in any other manner of joint or common ownership, or if two or more persons or entities have the same fiduciary relationship relating to the same property, then unless the instrument or order appointing them or creating the tenancy otherwise directs, and said instrument or order, or a certified copy thereof, is filed with the Secretary of The Marbella Club Association, their acts with respect to the voting rights herein set forth shall have the following effects:-----

----- (1) If only one owner appears to vote, in person or by proxy, the vote of said person or entity shall bind all the other owners. -----

----- (2) If more than one owner desires to vote, in person or by proxy, all the owners desiring to vote shall agree on the manner they shall vote, previous to any vote, and appoint only one person to represent them and vote on their behalf, in accordance with the decision of the majority of the owners who participated in such decision. -----

----- (3) Neither The Marbella Club Association nor any of the Unit Owners shall be in any manner responsible and/or liable for any discrepancy and/or grievance arising between two or more owners of a Residential Unit, for any claim or damage, financial or otherwise, relating to any vote or decision of the Unit Owners pursuant to the voting

rights herein set forth.-----

----- (4) The voting rights of any Unit Owner may be assigned in writing by said Unit Owner to a lessee who has entered into a lease of his or her Residential Unit for a term of two (2) years or more; provided, however, that the Unit Owner may not assign to such lessee any vote or votes not attributable to the Residential Unit actually leased by such lessee. Any assignment of voting rights must be in writing and filed with the Secretary of The Marbella Club Association, at least thirty (30) days prior to the date of any voting in which such lessee intends to participate. The vote issued by any such lessee shall be binding on the Unit Owner for any and all legal purposes whatsoever. -----

----- (5) The principles of this Paragraph shall apply, insofar as possible, to the execution of proxies, waivers, consents or objections and for purposes of ascertaining the presence of a quorum in any meeting of The Marbella Club Association.---

----- (C) Voting Requirements.-----

----- (1) General Requirements.-----

----- (i) The vote of a majority (equal to more than fifty percent (50%)) of the Members of The Marbella Club Association present at any meeting of The Marbella Club Association duly constituted, at which quorum was present in person or by proxy in accordance with the provisions of this Deed, the Certificate of Incorporation or the By-Laws of The Marbella Club Association, shall decide any matter brought for the consideration of The Marbella Club



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Association, except in cases where the matter is of such nature that a different proportion of votes is required by any express provision of law, this Deed, the Certificate of Incorporation or the By-laws of The Marbella Club Association, and to the extent applicable, the Condominium Act and the documents governing the Condominiums Regimes, in which case said express provision shall govern and control the decision of such matter.-----

----- (ii) Subject to the provisions of Section Five (B) of Article II hereof, each Unit Owner shall have the right to cast one (1) vote for each Residential Unit owned by him or her and recorded in the Book of Unit Owners of The Marbella Club in his or her name, in person or by proxy.-----

----- (iii) The Secretary of The Marbella Club Association shall be the officer in charge of the Book of Unit Owners and shall prepare in alphabetical order a complete list of the Unit Owners entitled to vote at each meeting.-----

----- (iv) Any action or vote required or permitted to be taken at any annual or special meeting of The Marbella Club Association may be taken without a meeting and without a vote, if a consent in writing, setting forth the specific action to be taken and waiving the right to a meeting and vote for such specific action shall be signed by all of the Members entitled to vote if such meeting was held. Any act approved through a written consent pursuant to and in accordance with the provisions of this Paragraph shall have the same effect and validity as any act approved at a meeting of The



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Marbella Club Association duly constituted and held.-----

-----(2) Special Requirements.-----

-----The following acts by The Marbella Club Association or the Master Board shall require the consent of no less than three fourths (¾) of the total Members of The Marbella Club Association: --

-----(i) Obtain or assume loans in the name of The Marbella Club Association;-----

-----(ii) Constitute mortgages and/or any other guaranty and/or security instrument over all or part of the Common Properties and/or Facilities;---

-----(iii) Sell, assign, or convey title to all or part of the Common Properties and/or Facilities;---

-----(iv) Levy special assessments per Residential Unit in excess of ten percent (10%) of the annual assessment applicable to each Residential Unit for a one (1) year period, except for emergency and other repairs required as a result of storm, fire, natural disaster or other casualty loss; and-----

-----(v) Amend or revoke the Covenants and Restrictions, both subject to the provisions of the succeeding paragraph and of Section Three of Article II and Section Two of Article VII hereof.---

-----Notwithstanding the above, any and all acts by The Marbella Club Association or The Master Board in connection with the Limited Common Properties are subject to the provisions of Section Seven of Article II hereof.-----

-----Furthermore, the voting rights and/o requirements herein set forth shall not be applicable to any act of the Developer over th



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Property, Common Properties and/or Facilities, until title over the same has been assigned and conveyed by the Developer to The Marbella Club Association, pursuant to the provisions of Section Twelve of Article II hereof, and the Developer terminates its membership to The Marbella Club Association, pursuant to the provisions of Section Thirteen of Article II hereof.-----

-----Section Six: Rights of the Unit Owners. The Residential Units shall be capable of individual ownership and utilization, and shall have direct exit to a common area of a Condominium Regime, leading in turn to a part of the Common Properties. Each Residential Unit will constitute a separate and individual property and ownership of the Residential Units will grant to the respective owners thereof the following title and rights: ----

----- (A) The exclusive title and ownership of the Residential Unit acquired by each Unit Owner, with the corresponding exclusive right to use and enjoy all parts of such Residential Unit;-----

----- (B) The joint right of co-ownership, and the non-exclusive right of use and enjoyment of the General Common Elements of the Condominium Regime wherein his or her Residential Unit is or shall be located, as designated in the corresponding documents governing said Condominium Regime;-----

----- (C) The joint right of co-ownership of the Limited Common Elements of the Condominium Regime wherein his or her Residential Unit is or shall be located, and to the Unit Owners of the corresponding Residential Units to which said





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Limited Common Elements are assigned, the exclusive right of use and enjoyment of such Limited Common Elements, as designated in the corresponding documents governing said Condominium Regime;-----

----- (D) The non-exclusive right of use and enjoyment of the General Common Elements of all Condominium Regimes forming part of The Marbella Club, as provided for in this Deed;-----

----- (E) The non-exclusive right of use and enjoyment of the General Common Properties, Facilities, and the Areas to be Dedicated to Public Use, as provided for in this Deed; and-----

----- (F) The exclusive right of use and enjoyment of the Limited Common Properties, acquired by the corresponding Unit Owners, as provided for in Section Seven of Article II hereof.-----

----- **Section Seven: Common Properties of The Marbella Club.** The Common Properties of The Marbella Club shall be composed of the General Common Properties and the Limited Common Properties.-----

----- **A. General Common Properties.** The General Common Properties of The Marbella Club are the areas intended for and to be devoted to the use and enjoyment of all the Unit Owners, their families, guests and/or persons occupying the Residential Units as guests or tenants.-----

----- **B. Limited Common Properties.** The Limited Common Properties of The Marbella Club are the areas intended for and to be devoted to the exclusive use and enjoyment of the Unit Owner which acquired the right to use the same, pursuant

to the provisions hereof.-----

-----The only Limited Common Properties of The Marbella Club are the forty one (41) parking spaces identified in The Marbella Club Master Plan as Private Use Parking Spaces (hereinafter sometimes referred to as the "Private Use Parking Spaces").--

-----The designation of the Private Use Parking Spaces as Limited Common Properties of The Marbella Club may only be modified, altered or amended with the unanimous consent of all the Members of The Marbella Club Association, at a special meeting called for said specific purpose.-----

-----The Private Use Parking Spaces of The Marbella Club shall be owned in fee simple title by The Marbella Club Association, and reserved for the exclusive use and enjoyment of the Unit Owners which acquired the exclusive right to use the same from The Marbella Club Association. -----

-----The exclusive rights to use Private Use Parking Spaces by the corresponding Unit Owners who acquired such right shall be for an indefinite period of time. The exclusive right to use a Private Use Parking Space of The Marbella Club is and shall be at all times ancillary to the ownership of a Residential Unit and no Unit Owner may maintain for its benefit said right after such Unit Owner ceases to be a Unit Owner.-----

-----The Secretary of the Master Board of The Marbella Club Association shall keep an up to date record of all the Unit Owners who acquired exclusive rights to use Private Use Parking Spaces of The Marbella Club, listing the specific parking



space which each of said Unit Owners has the right herein referred.-----

-----Maintenance of the Limited Common Properties of The Marbella Club shall be provided by The Marbella Club Association and the cost of such maintenance shall be the sole responsibility of the Unit Owners who are listed in the records of The Marbella Club Association as having acquired the exclusive right to use a Private Use Parking Space.-----

-----The cost of maintaining the Limited Common Properties of The Marbella Club shall be apportioned, on a percentage basis, among all the Unit Owners who are listed in the records of The Marbella Club Association as having the exclusive right to use a Private Use Parking Space, based on the proportion that the area of each Private Use Parking Space bears to the total area of all the Private Use Parking Spaces. On this basis, the percentage share of each Private Use Parking Space for purposes of allocating maintenance cost are as follows:-----

-----PRIVATE USE PARKING SPACES - AREA A-----

-----1. Private Use Parking Space Number A-1 two point four three nine zero percent (2.4390%).-----

-----2. Private Use Parking Space Number A-2 two point four three nine zero percent (2.4390%).-----

-----3. Private Use Parking Space Number A-3 two point four three nine zero percent (2.4390%).-----

-----4. Private Use Parking Space Number A-4 two point four three nine zero percent (2.4390%).-----

-----5. Private Use Parking Space Number A-5 two point four three nine zero percent (2.4390%).-----

-----6. Private Use Parking Space Number A-6 two point four three nine zero percent (2.4390%).-----



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- 7. Private Use Parking Space Number A-7 two point four three nine zero percent (2.4390%).-----
- 8. Private Use Parking Space Number A-8 two point four three nine zero percent (2.4390%).-----
- 9. Private Use Parking Space Number A-9 two point four three nine zero percent (2.4390%).-----
- 10. Private Use Parking Space Number A-10 two point four three nine zero percent (2.4390%).-----
- 11. Private Use Parking Space Number A-11 two point four three nine zero percent (2.4390%).-----
- 12. Private Use Parking Space Number A-12 two point four three nine zero percent (2.4390%).-----
- 13. Private Use Parking Space Number A-13 two point four three nine zero percent (2.4390%).-----

-----PRIVATE USE PARKING SPACES - AREA B-----

- 1. Private Parking Space Number B-1 two point four three nine zero percent (2.4390%).-----
- 2. Private Parking Space Number B-2 two point four three nine zero percent (2.4390%).-----
- 3. Private Parking Space Number B-3 two point four three nine zero percent (2.4390%).-----
- 4. Private Parking Space Number B-4 two point four three nine zero percent (2.4390%).-----
- 5. Private Parking Space Number B-5 two point four three nine zero percent (2.4390%).-----
- 6. Private Parking Space Number B-6 two point four three nine zero percent (2.4390%).-----
- 7. Private Parking Space Number B-7 two point four three nine zero percent (2.4390%).-----
- 8. Private Parking Space Number B-8 two point four three nine zero percent (2.4390%).-----
- 9. Private Parking Space Number B-9 two point four three nine zero percent (2.4390%).-----
- 10. Private Parking Space Number B-10 two point four three nine zero percent (2.4390%).-----
- 11. Private Parking Space Number B-11 two point four three nine zero percent (2.4390%).-----
- 12. Private Parking Space Number B-12 two point four three nine zero percent (2.4390%).-----
- 13. Private Parking Space Number B-13 two point four three nine zero percent (2.4390%).-----



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-----14. Private Parking Space Number B-14 two point four three nine zero percent (2.4390%).-----

-----15. Private Parking Space Number B-15 two point four three nine zero percent (2.4390%).-----

-----16. Private Parking Space Number B-16 two point four three nine zero percent (2.4390%).-----

-----PRIVATE USE PARKING SPACES - AREA C-----

-----1. Private Parking Space Number C-1 two point four three nine zero percent (2.4390%).-----

-----2. Private Parking Space Number C-2 two point four three nine zero percent (2.4390%).-----

-----3. Private Parking Space Number C-3 two point four three nine zero percent (2.4390%).-----

-----4. Private Parking Space Number C-4 two point four three nine zero percent (2.4390%).-----

-----5. Private Parking Space Number C-5 two point four three nine zero percent (2.4390%).-----

-----6. Private Parking Space Number C-6 two point four three nine zero percent (2.4390%).-----

-----7. Private Parking Space Number C-7 two point four three nine zero percent (2.4390%).-----

-----8. Private Parking Space Number C-8 two point four three nine zero percent (2.4390%).-----

-----9. Private Parking Space Number C-9 two point four three nine zero percent (2.4390%).-----

-----10. Private Parking Space Number C-10 two point four three nine zero percent (2.4390%).-----

-----11. Private Parking Space Number C-11 two point four three nine zero percent (2.4390%).-----

-----12. Private Parking Space Number C-12 two point four three nine zero percent (2.4390%).-----

-----The exclusive right to use a Private Use Parking Space may be transferred by the Unit Owner listed in the records of The Marbella Club Association as having acquired such exclusive use right, but only in strict compliance with the following terms and conditions:-----

-----1. Unit Owners must obtain the prior written consent of The Marbella Club Association for any



proposed conveyance or transfer. -----

-----2. Any agreement to transfer an exclusive right to use a Private Use Parking Space must be in writing and filed with the Secretary of The Marbella Club Association, within ten (10) days of being executed.-----

-----3. Only Unit Owners may acquire a right to use a Private Use Parking Space. No Unit Owner, except the Developer, may have the right to use more than two (2) Private Use Parking Spaces at the same time.-----

-----4. The mortgaging or constitution of any security interest over or in connection with the exclusive right to use a Private Use Parking Space is strictly prohibited.-----

-----Any and all modifications, and or alterations to the Parking Spaces and/or their respective trellis roofing, including but not limited to enclosing the same in any manner whatsoever is strictly prohibited.-----

-----C. Rights of The Marbella Club Association in the Common Properties, Facilities and Areas to be Dedicated to Public Use.-----

----- (A) Right of Ownership and Use and Enjoyment in the Common Properties, Facilities and Areas to be Dedicated to Public Use. The Marbella Club Association shall be the sole owner of the Common Properties, Facilities and Areas to be Dedicated to Public Use, as provided for in this Deed. Subject to the provisions of these Covenants and Restrictions, the rules and regulations of The Marbella Club Association, and any fees or charges



established by The Marbella Club Association, every Unit Owner shall have the right to use and enjoy the Common Properties, Facilities and Areas to be Dedicated to Public Use and such right shall be appurtenant to and shall pass with the title of every Residential Unit, pursuant to the provisions of this Deed.-----

-----1. Extent and Restrictions of Rights in the Common Properties, Facilities and Areas to be Dedicated to Public Use. The right of ownership and

use and enjoyment created hereby shall be subject to the following restrictions:-----

----- (a) The restrictions applicable to the Limited Common Properties of The Marbella Club set forth in Section Seven of Article II hereof.-----

----- (b) The right of the Developer and of The Marbella Club Association, subject to the provisions of Section Five (C) (2) of Article II hereof, to borrow money for the purpose of improving and/or maintaining the Common Properties, Facilities and/or the Areas to be Dedicated to Public Use and providing the Services authorized herein, and to mortgage said properties to guarantee any such loans.-----

----- (c) The right of The Marbella Club Association, as provided in this Deed, the Certificate of Incorporation and the By-Laws of The Marbella Club Association, to suspend the rights and easements of use and enjoyment of any Unit Owner or any guest or tenant of any Unit Owner for any period during which any Marbella Club Assessment (as hereinafter defined) remains unpaid,



and for any additional period not to exceed sixty (60) days, for any infraction of the Covenants and Restrictions or any rules and regulations of The Marbella Club, it being understood that any suspension for either non-payment of any Marbella Club Assessment or a breach of the rules and regulations of The Marbella Club Association shall not constitute a waiver or discharge of the Unit Owner's obligation to pay any Marbella Club Assessment in arrears.-----

----- (d) The right of The Marbella Club Association to charge reasonable admission and other fees for the use of the General Common Properties and/or Facilities, to the extent permitted by law.-----

----- (e) The right and/or obligation of the Developer or The Marbella Club Association, if applicable, to dedicate or transfer to any public or private utility company, easements on any part of the Common Properties and Facilities, and/or to transfer or convey title to the Areas to be Dedicated to Public Use, pursuant to the request of any governmental agency or municipal or state instrumentality.-----

----- (f) The right and/or obligation of the Developer, and when applicable The Marbella Club Association, to assign or sell all or any part of the General Common Properties and Facilities, including leasehold interest thereto 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 Developer, and when applicable The Marbella Club Association, provided



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that if agreed to by The Marbella Club Association, no such assignment 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 no less than three-fourths (¾) of all the Members of The Marbella Club Association, pursuant to and in accordance with the provisions of Section Five (C) (2) of Article II hereof. A true copy of such resolution together with a certificate of the results of the vote taken in connection therewith shall be made and acknowledged by the President and Secretary of The Marbella Club Association and such certificate shall be annexed to any instrument of dedication, assignment or transfer affecting the General Common Properties and/or Facilities, prior to the recording thereof. Such certificate shall be conclusive evidence of the authorization given by the Members for such act, and if required or otherwise convenient, shall be filed for record in the Registry. -----

-----**Section Eight: Obligations of the Unit Owners.**

-----All the Unit Owners of one or more Residential Units, his or her family and guests, and any and all persons occupying or using any Residential Unit as a tenant or under any other concept, or any person entitled to use the Common Properties and/or Facilities of The Marbella Club for any concept whatsoever, are and shall be subject to the Covenants and Restrictions herein set forth, and to all the terms and conditions of this Deed, the

Certificate of Incorporation and the By-Laws of The Marbella Club Association, as well as to any decision and/or agreement adopted by The Marbella Club Association from time to time. The mere acquisition or use of a Residential Unit in any concept whatsoever, including without limiting to lessee, shall constitute the acceptance, ratification and agreement to this Deed, the Certificate of Incorporation and the By-Laws of The Marbella Club Association and the decisions and/or agreements herein referenced.-----

-----Each Unit Owner shall undertake, at its sole cost and expense, any and all maintenance, repair, cleaning, security and/or improvements to his or her Residential Unit, without impeding or jeopardizing any use and enjoyment to which other owners of Residential Units are entitled. Each Unit Owner shall be responsible for the proper disposal of any material and/or debris used or created as a result of any maintenance, repair, cleaning and/or improvement work undertaken in connection with, or within his or her Residential Unit. The disposal of any corrosive liquid or solid material through the plumbing of any building located within the Property is strictly prohibited and any Unit Owner who violates the provisions contained in this paragraph shall be responsible for any and all damages caused as a result of said violation, plus may be subjected to the payment of a special assessment. -----

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-----Section Nine: Maintenance Assessment.-----

-----A. Annual Maintenance Assessment.-----

-----Each Unit Owner shall pay to The Marbella Club Association an annual assessment to defray all expenses incurred by The Marbella Club Association in the compliance and performance of its functions and obligations in keeping The Marbella Club as a first class residential community, as provided for in this Deed, the Certificate of Incorporation and the By-laws of The Marbella Club Association (hereinafter the "Annual Assessment").-----

-----The Annual Assessment to be paid by the Unit Owners shall be composed of two types of items to be specifically identified in the budget to be established by the Master Board annually prior to the beginning of each fiscal year, as Common Properties Annual Assessment and the Condominium Regime Annual Assessment.-----

-----(1) Obligation to Pay Annual Assessment.-----

-----Subject to the provisions of this Section Nine, the Annual Assessment to be paid by each Unit Owner shall be established by the Master Board, annually, prior to the beginning of each fiscal year by prorating the estimated annual expenses of The Marbella Club Association between the then existing number of Residential Units of The Marbella Club, in accordance with the provisions of Section Nine (A)(3) of Article II hereof. No Unit Owner is exempted from the obligation to pay his or her Annual Assessment by waiving the use and/or enjoyment of the Common Properties or Facilities, or by abandoning or no

using his or her Residential Unit.-----

----- (2) Purpose of Annual Assessment.-----

-----The Annual Assessment shall be used exclusively by The Marbella Club Association to carry out the functions and Services of The Marbella Club Association in order to keep and maintain The Marbella Club as a first class residential community, as described in this Deed.---

----- (3) Calculation of Annual Assessment.-----

-----The Annual Assessment to be levied on each Residential Unit shall be calculated by prorating annually, prior to the beginning of each fiscal year, the estimated annual expenses of The Marbella Club Association based on the proportion that the respective floor area of each Residential Unit bears to the total floor area of all Residential Units of The Marbella Club dedicated to Condominium Regime by deed, at the time such yearly calculation is made.-----

-----The Master Board may, after consideration of current costs and future needs of The Marbella Club Association, fix the annual assessment for any year at an amount less than the applicable Annual Assessment for the previous year, but such action shall not constitute a waiver by the Master Board of its right to increase the Annual Assessment in subsequent years.-----

-----Any increase or decrease in the applicable Annual Assessment for a particular year shall be made in such a manner that the proportionate increase or decrease in such assessment, on a percentage basis, is the same for all the Unit



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-----Notwithstanding the foregoing, during the period the Developer is in charge of all matters of The Marbella Club, and until the control of the management of The Marbella Club Association is transferred to the Unit Owners in accordance with Section Ten of Article II hereof, the Developer may establish different budgets to apply upon the dedication of a new Condominium Parcel to the horizontal property regime, in which case and at which time, the Annual Assessment to be levied on each Residential Unit shall be calculated by prorating the then estimated annual expenses of The Marbella Club Association, based on the proportion that the respective floor area of each Residential Unit bears to the total floor area of all Residential Units of The Marbella Club dedicated to the horizontal property regime by Deed, at the time such calculation is made.-----

-----The Developer is not required nor shall it be obligated at any time to pay any portion of the Annual Assessment attributable to the Common Properties of The Marbella Club. Notwithstanding the foregoing, the Developer may voluntarily contribute to The Marbella Club Association sufficient funds to cover any short fall between the portion of the Annual Assessment attributable to the Common Properties Annual Assessment collected from Unit Owners and the actual expenses incurred by The Marbella Club Association in connection therewith, until such time as the Annual Assessment collected from the Unit Owners covers the actual expenses of The Marbella Club Association, at which time the voluntary contributions of the Developer will cease.-----



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----- (4) Special Assessments for Improvements and Additions to The Marbella Club. In addition to the Annual Assessment authorized by Section Nine (1) of Article II hereof, the Master Board may levy special assessments (hereinafter the "Special Assessments"), such Special Assessments not to exceed a sum equal to ten percent (10%) of the Annual Assessment applicable to each Residential Unit for such year, for the purpose of defraying, in whole or part, the cost of (i) any construction or reconstruction, unexpected repair or replacement of capital improvements of or upon the Common Properties or Facilities, including the necessary fixtures and personal property related thereto, or addition to the Common Properties and/or Facilities, (ii) providing for the necessary facilities and equipment to offer the Services authorized herein, and to repay any loan made to The Marbella Club Association, if any, to enable it to perform the duties and functions required and authorized herein, provided, however, that if the Special Assessments so levied on a Residential Unit exceeds a sum equal to ten percent (10%) of the Annual Assessment applicable to each Residential Unit for such a year, then, in such event the excess thereof shall have the affirmative vote of three fourths (3/4) of the Unit Owners, in accordance with the provisions of Section Five (C) (2) of Article II hereof, except for emergency and other repairs required as a result of storm, fire, flood, natural disaster or any other casualty loss.-----



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----- (5) Due Date of Annual and Special Assessments. The Master Board shall have the power to determine the date upon which the Annual Assessment becomes due and payable, which shall be payable in monthly installments.-----

---The due date of any Special Assessment levied under Section Nine(4) of Article II hereof shall be fixed in the resolution authorizing such assessment.-----

----- (6) Reserves. The Marbella Club Association may establish reserve funds equal to twenty percent (20%) of its receipts from its Annual Assessment 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 loss.-----

----- (7) Duties of the Board of Directors of The Marbella Club. Subject to the provisions of Section Nine (A)(3) of Article II hereof, the Master Board shall fix the amount of the assessment to be levied against each Residential 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 Marbella Club Association and shall be open to inspection by any Unit Owner.-----

-----Written notice of the levied assessments shall thereupon be sent to every Unit Owner subject thereto.-----

-----The Marbella Club Association shall, upon demand at any time, furnish to any Unit Owner responsible for any assessments a certificate in writing signed by an authorized representative of The Marbella Club Association, setting forth a Statement of Account of assessments applicable to his or her Residential Unit.-----

-----**(8) Creation of Property Lien and Personal Obligation of Unit Owners; Remedies For Non-Payment of Assessment.** If any Annual and/or Special

Assessment is not paid on or before the due date specified for the payment thereof, such assessment shall thereafter become delinquent. Any past due assessment shall, together with (i) interest thereon at the maximum interest rate permitted by law, accrued from the due date and (ii) the cost of collection thereof as hereinafter provided, become a charge and continuing lien on the Residential Unit upon which such past due assessment was levied.-----

-----The obligation to pay the Annual and Special Assessments, as well as any interest and late charges shall also constitute a personal obligation of the Unit Owners.-----

-----In cases where a Residential Unit is owned by one (1) or more persons or entities, all co-owners shall be jointly and severally liable and responsible for the payment of all amounts payable to The Marbella Club Association pursuant to Section Nine of Article II hereof.-----

-----A new Unit Owner of a Residential Unit shall be jointly and severally liable with the prior Unit



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Owner of such Residential Unit, for all amounts owed by the latter to The Marbella Club Association pursuant to Section Nine of Article II hereof up to the date of transfer of title to such Residential Unit, without impairing the right of the new Unit Owner to recover from the prior Unit Owner all amounts he or she has to pay to The Marbella Club Association as joint debtor under this Section Nine of Article II hereof.-----

-----In addition to the above, the Master Board may suspend the right of use and enjoyment of (i) the Common Properties and Facilities and, (ii) in coordination with the governing board of the Condominium Regime wherein the corresponding Residential Unit is located, the General Common Elements of the Condominium Regime wherein his or her Residential Unit is located, to any Unit Owner in default of the payment of any Annual or Special Assessment, until all amounts owed to The Marbella Club Association, including any and all interest and/or late charges penalties are fully satisfied.-

-----**(9) Delinquency in the Payment of Annual or Special Assessment.** Any Annual and/or Special Assessments not paid on or before its due date shall accrue interest at the maximum rate permitted by law. Any Unit Owner with Annual and/or Special Assessments past due shall pay, in addition to paying the total assessment past due, a late charge penalty equal to one percent (1%) of the total assessment past due. Any Unit Owner who is delinquent in the payment of any Annual and/or Special Assessment shall be excluded from

participating in any vote of The Marbella Club Association, until the Unit Owner pays any and all amounts owed to The Marbella Club Association, including interest and late charge penalties attributable to said debt, and the collection costs.-----

-----If the assessment is not paid within thirty (30) days after it is past due, the Master Board may, but shall not be required to bring an action at law against the Unit Owner personally obligated to pay the same or initiate judicial proceedings and foreclose the lien against the Residential Unit, 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 assessments and late charge penalties as herein provided, as well as cost and expenses and attorney's fees.-----

-----**(B) Assessments of Palmas del Mar Homeowners Association.** The Property, and all parts thereof are subject to the terms and conditions of Deed Number Two (2) of Amended and Restated Declaration of Rights, Restrictions, Conditions and Constitution of Restrictive Covenants and Establishment of Provisions for the Palmas del Mar Homeowners Association, and the Charter of Incorporation and By-laws of the Palmas Del Mar Homeowners Association, Inc.-----

-----Accordingly, all Unit Owners shall be entitled to the same rights and subject to the same obligations restrictions and covenants applicable



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to all other Palmas Del Mar Resort residential projects that are covered by the PHA Covenants, including but not limited to the obligation to pay any assessment levied by PHA to help defray the cost of maintenance and repair of any amenities, services, facilities and improvements of the Palmas del Mar Resort.-----

-----Section Ten: Initial Management of The Marbella Club Association; Transfer of Management

to Unit Owners. The Developer shall assume the initial management of The Marbella Club Association, with all the powers and duties conferred upon the Master Board by this Deed, the Certificate of Incorporation and the By-laws of The Marbella Club Association, until the management of The Marbella Club Association is transferred to the Unit Owners, pursuant to the provisions of this Section Ten of Article II hereof.-----

-----During the period the Developer is in charge of all matters relating to the development, marketing, maintenance and operation of The Marbella Club Association, and until the control of the management of The Marbella Club Association is transferred to the Unit Owners, the Developer shall be entitled to establish temporary budgets reflecting the estimated expenses of The Marbella Club Association at the various different phases of its development. Once the Developer elects, at its sole and absolute discretion, to transfer the control and management of The Marbella Club Association to the Unit Owners, the Developer shall transfer the management and control of The Marbella



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Club Association in the following manner:-----

----- (1) The Developer will call, at its sole and absolute discretion, and at any time it deems appropriate a special meeting of the Unit Owners, for the purpose of electing the persons who will substitute the representatives of the Developer in the Master Board and transferring the management of The Marbella Club Association to the Unit Owners; and-----

----- (2) At said meeting, the Developer or entity in charge of the management of The Marbella Club Association theretofore, shall deliver to the elected Master Board, (i) the accounting books of The Marbella Club Association and (ii) any and all funds of The Marbella Club Association under its control.-----

-----Nothing herein provided shall be interpreted as a restriction or limitation to the right of the Developer to review, modify and amend The Marbella Club Master Plan or transfer and convey title to the Common Properties and Facilities and the Areas to be Dedicated to Public Use (until such areas are dedicated and transferred to Public Use pursuant to the request of any governmental agency or estate or municipal instrumentality with jurisdiction over the subject matter) in the order and at the time it determines, at its sole and absolute discretion, in accordance with Sections Eleven and Twelve of Article II hereof, provided, however, that the transfer and conveyance of title to the Common Properties and Facilities and Areas to be Dedicated to Public Use shall be completed on or before the

Unit Owners assume the control and management of The Marbella Club Association.-----

-----**Section Eleven: Transfer of Title of Common Properties and Facilities**. Subject to the right of

the Developer to review, modify and amend The Marbella Club Master Plan, the Developer shall transfer and convey to The Marbella Club Association, title to the Common Properties and Facilities, with the express understanding that such transfer shall be made in the manner, order and time the Developer determines, at its sole and absolute discretion. All Common Properties and Facilities, either improved or unimproved, shall be conveyed to The Marbella Club Association, at its cost, subject to the Covenants and Restrictions and all encumbrances, liens and restrictive covenants of record at the time of the conveyance. Notwithstanding anything in the foregoing to the contrary, the Developer shall not be required to convey the Common Properties and Facilities where such conveyance would be prohibited by any applicable law or regulation, or any governmental agency including but not limited to the Permits and Regulation Administration ("ARPE") or pursuant to any agreements existing on the date hereof but, in such case, shall be allowed to postpone such conveyance, without penalty, until such time as said prohibition may be nullified.-----

-----**Section Twelve: Transfer of Title of Areas to be Dedicated to Public Use**. Subject to the right

of the Developer to review, modify and amend The Marbella Club Master Plan, the Developer shall



assign, transfer and convey to The Marbella Club Association, title to the Areas to be Dedicated to Public Use with the express understanding that such transfer shall be made in the manner, order and time the Developer determines, at its sole and absolute discretion.-----

-----The Developer may, at its sole and absolute discretion, assign, transfer and convey title to the Areas to be Dedicated to Public Use to The Marbella Club Association, which shall hold title to and maintain such areas, until such time as the same are dedicated or transferred to Public Use pursuant to the request of any governmental agency or state or municipal instrumentality.-----

-----**Section Thirteen: Termination of Membership of the Developer in The Marbella Club Association.** ---

-----Once the Developer transfers the administration of The Marbella Club Association to the Unit Owners, in accordance with the provisions of Section Ten of Article II hereof, the Developer may, but shall not be required to terminate its membership in The Marbella Club Association, at its absolute discretion. In the event that the Developer determines, at its sole and absolute discretion, that it will terminate its membership in The Marbella Club Association, it shall notify its determination to the Master Board, in writing, and such termination shall be effective on the date established by the Developer, at which time the Developer will be released from any and all obligations and responsibility relating to the administration of The Marbella Club Association.---



-----ARTICLE III-----  
-----COVENANTS, RESTRICTIONS, AND AFFIRMATIVE  
OBLIGATIONS APPLICABLE TO ALL CONDOMINIUM  
REGIMES, RESIDENTIAL UNITS, COMMON PROPERTIES AND  
FACILITIES OF THE MARBELLA CLUB-----

-----Section One. Use. The Unit Owners, tenants,  
occupants and their invitees shall have the non-  
exclusive right to use and enjoy the Common  
Properties and Facilities and the General Common  
Elements of the Condominium Regimes, as herein  
provided. The Limited Common Elements of the  
Condominium Regimes, may be used and enjoyed only  
by the Unit Owners, tenants, occupants and invitees  
of the Residential Units with the right to use and  
enjoy such Limited Common Elements pursuant to the  
provisions of, and in accordance with, the  
corresponding documents governing each Condominium  
Regime; provided that the use and enjoyment of the  
Common Properties and Facilities, and the General  
Common Elements and the Limited Common Elements of  
the Condominium Regimes shall conform to the  
purpose for which they were established according  
to this Deed. The Limited Common Properties of The  
Marbella Club may be used and enjoyed only by the  
Unit Owners, tenants, occupants and invitees of the  
Residential Units with the right to use and enjoy  
such Limited Common Properties, as specifically  
provided for in Section Seven of Article II hereof.  
Unit Owners, tenants, occupants and their invitees  
shall conserve, use, and enjoy the Common  
Properties and Facilities and the General and/or  
Limited Common Elements of the Condominium Regimes  
with reasonable care and prudence and in a manner  
that shall not restrict or hinder the legitimate



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use, utilization, and enjoyment of such Common Properties, Facilities, General and/or Limited Common Elements of the Condominium Regimes by others entitled thereto.-----

-----Section Two. Maintenance. The Marbella Club Association shall be responsible for the maintenance, repair, conservation and/or replacement of the (i) Common Properties and Facilities and (ii) General and Limited Common Elements of the Condominium Regimes. The cost thereof shall be borne by the Unit Owners as provided for in this Deed, the Certificate of Incorporation and By-Laws of The Marbella Club Association and, to the extent applicable the documents governing each Condominium Regime; provided that, in the event any Unit Owner, tenant, occupant, their invitees or employees shall cause damages to the Common Properties, Facilities, and/or the General or Limited Common Elements of the Condominium Regimes, then said Unit Owner shall be liable for the entire cost of repair or replacement of said elements. This Section shall not be understood or be interpreted to impair any rights of said Unit Owner to recover from his or her tenant, occupant, invitee or employee any monies he or she pays in satisfaction of the aforementioned liability.-----

-----The landscaping of all portions of The Marbella Club, including the Condominium Regimes and/or Common Properties, and any part thereof shall be designed by the Developer and always maintained in general conformity with the overall



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landscaping pattern of The Marbella Club, and other  
Applicable Palmas Covenants (as hereinafter  
defined).-----

-----The Marbella Club Association shall be  
responsible for maintaining all landscape areas of  
The Marbella Club, including all landscape areas  
located within or on the (i) the Condominium  
Regimes (including the Limited Common Elements) and  
(ii) Common Properties. Such maintenance and  
landscaping shall include mowing, regular removal  
of underbrush, trash or debris, planting of grass,  
watering and application of fertilizer.-----

-----It is herein established that all roads and  
streets within The Marbella Club, including all  
roads and streets deemed to be public roads and  
streets under applicable law, if any, shall be  
repaired, rehabilitated, resurfaced and otherwise  
maintained by The Marbella Club Association. The  
Marbella Club Association shall also provide for  
the maintenance and clean-up of right of ways; to  
provide drainage along said roadways and streets,  
and to provide and/or allow for motorized security  
patrols, to access all roads and streets within The  
Marbella Club. The Marbella Club Association shall  
request from the corresponding governmental  
entities the power to place any reasonable  
restrictions upon the use of roadways and streets  
within The Marbella Club, including but not limited  
to types and sizes of vehicles permitted to use  
said roads and the maximum and minimum speeds of  
vehicles using the roads, provided, however, that  
the fact that any such restriction shall be more



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restrictive than those imposed by applicable laws shall not make such restrictions unreasonable.-----

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

----- (A) No part of the Condominium Regimes, Residential Units, Common Properties and/or Facilities shall be used for any purpose other than residential housing and the related common purposes for which The Marbella Club was designed, which is a first class residential community. Each Residential Unit shall be used for residential purposes and for no other purpose whatsoever.-----

----- (B) All Unit Owners shall use and enjoy their respective Residential Units in conformity with the terms of this Deed, the Certificate of Incorporation and By-laws of The Marbella Club Association, the documents governing each Condominium Regime and, to the extent applicable, the Condominium Act. Each Unit Owner shall be responsible for violations to the terms and conditions of this Deed, the Certificate of Incorporation and By-Laws of The Marbella Club Association, the documents governing each Condominium Regime, and to the extent applicable, the Condominium Act, for the damages and inconveniences caused by the Unit Owner's family members, visitors, guests, tenants, employees and any other persons who may occupy a Residential Unit, to other Unit Owners, their property, the Common Properties, Facilities and/or the General Common Elements or the Limited Common Elements of the Condominium Regimes.-----





----- (C) Nothing shall be done or kept in any part of the Common Properties, Facilities, Residential Units or in the General and/or Limited Common Elements of the Condominium Regimes which will increase the rate of insurance applicable for residential use of Condominium Regimes without the prior written consent of the Master Board. No Unit Owner shall permit anything to be done or kept in the Common Properties and Facilities, his or her Residential Unit or in the General and/or Limited Common Elements of the Condominium Regimes which will result in the cancellation of any insurance required hereunder, or which would be in violation of any law, provision of this Deed, the Certificate of Incorporation and By-Laws of The Marbella Club Association, the documents governing the Condominium Regimes, and to the extent applicable, the Condominium Act.-----

----- (D) No immoral, improper, offensive, or unlawful use shall be made of the Property, Condominium Regimes, Residential Units, Common Properties, Facilities or the General and/or Limited Common Elements of the Condominium Regimes, or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental agencies having jurisdiction thereof shall be observed. All laws, orders, rules, regulations, or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Common Properties, Facilities, Condominium Regimes, Residential Units or the General and/or Limited Common Elements of the Condominium Regimes,

shall be complied with, by and at the sole expense of the Unit Owner or The Marbella Club Association, whichever shall have the obligation to comply with such laws, rules or requirements.-----

----- (E) No industry, business, trade, occupation or profession of any kind, commercial, religious, educational, or otherwise, designed for profit, altruism, exploitation, or otherwise, shall be conducted, maintained, or permitted on any part of the Common Properties, Facilities, Condominium Regimes, Residential Units, or any part thereof.--

----- (F) Any and all parts of the Common Properties and Facilities, and the General and Limited Common Elements of the Condominium Regimes, including but not limited to open courts, patios, balconies and all yards must be kept in an orderly condition so as not to detract from their neat appearance. No bicycles or motorcycles may be parked on the hallways, stairways, patios, balconies, front entrance ways or the yards of the Common Properties or Condominium Regimes. The Master Board or The Marbella Club Manager, in their sole discretion, may determine whether or not the open courts, patios, and yards are orderly. The Master Board or The Marbella Club Manager may, *motu proprio*, or by request of any Unit Owner, have any objectionable items removed from the open courts, patios, and hallways, stairways, patios, balconies, front entrance ways or the yards so as to restore its orderly appearance, without liability therefor, and charge the responsible Unit Owner for the costs, expenses and disbursements incurred in the



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process.-----

----- (G) With the exception of lawn care and maintenance equipment used by persons or entities responsible for the maintenance of The Marbella Club, no other motorized vehicles may be used or maintained on the yards or sidewalks of the Common Properties or Condominium Regimes, and no unlicensed motorized vehicles other than Golf carts are allowed on The Marbella Club or any portion thereof.-----

----- (H) Trash shall be stored within the Residential Units or in the specific area set aside for such storage in the Common Properties and/or the Condominium Regimes. -----

----- (I) The maintenance, keeping, breeding, boarding and/or raising of animals, livestock, or poultry of any kind, regardless of number, is prohibited within any part of the Common Properties, General and/or Limited Common Elements of the Condominium Regimes, and Residential Units, except that this shall not prohibit the keeping of orderly domestic house pets such as dogs and cats provided that they are not kept or maintained for commercial purposes or for breeding. Pets shall not be permitted upon the Common Properties or the General and/or Limited Common Elements of the Condominium Regimes, except in areas designated by the Master Board. All domestic pets shall be accompanied by an adult and kept under the direct control of their owners at all times and shall not be allowed to run free or unleashed or to otherwise interfere with the rights, comfort and convenience



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of any of the Unit Owners or occupants. Any inconvenience, damage or unpleasantness caused by such pets shall be the sole responsibility of the respective owners thereof. Owners must clean immediately after their pets. Any person who keeps or maintains any pet upon any portion of the Common Properties, Condominium Regimes shall be deemed to have indemnified and agreed to hold The Marbella Club Association, and each of the Unit Owners free and harmless from any loss, claim or liability of any kind or character whatsoever arising by reason of keeping or maintaining such pet within the Common Properties or Condominium Regimes. The Master Board shall have the right to order any person whose pet is a nuisance to remove such pet from the Common Properties, or the Condominium Regimes.-----

----- (J) No junk vehicles or other vehicles on which current registration plates are not displayed, except electric golf carts, shall be kept upon any part of the Common Properties, and/or Condominium Regimes or within any portion of The Marbella Club, nor shall the repair or maintenance of automobiles or other vehicles be carried out on any part of the Common Properties, or the General and/or Limited Common Elements of the Condominium Regimes, or within any other portion of The Marbella Club.-----

----- (K) No commercial vehicles, trucks, trailers, recreational vehicles (except electric golf carts), boats, jet skis, or similar vehicles shall be kept upon any portion of the Common Properties or the



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Condominium Regimes, including the parking facilities of The Marbella Club, or within any portion of The Marbella Club.-----

----- (L) No structure of a temporary character, trailer, tent, shack, barn or other outbuilding shall be built, kept or maintained upon the Common Properties or any of the General and/or Limited Common Elements of the Condominium Regimes, or within any portion of The Marbella Club at any time. Outdoor clothes dryers or clotheslines shall not be kept or maintained upon the Common Properties, of the General and/or Limited Common Elements of the Condominium Regimes or the Residential Units at any time. No clothing, laundry, rugs, towels, or the like shall be hung from any part of any Residential Unit or upon the Common Properties or any part of the General and/or Limited Common Elements of the Condominium Regimes or from or upon any balcony or patio. No Unit Owner may post any advertisement, poster or sign of any kind on the exterior of his Residential Unit or in the windows of his Residential Unit, except when required by law and by prior written consent from the Master Board. Nothing shall be hung from outside the windows or on the patios or balconies, or placed on the outside window sills of any Residential Unit.-----

----- (M) The sidewalks, paths, driveways, hallways vestibules and other areas for use in getting to and from the Common Properties, the Condominium Regimes, Residential Units, parking spaces, and/or recreational facilities, or any part of Th



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Marbella Club shall not be obstructed or used for any purpose other than for ingress to and egress from the Common Properties or Condominium Regimes, Residential Units, the parking spaces and/or recreational facilities thereof.-----

----- (N) Unless specific portions of the (i) Common Properties are designated in writing by the Master Board specifically for such purpose, or (ii) General Common Elements of the Condominium Regimes are designated specifically for such purpose in the documents governing each Condominium Regime, no portion of the Common Properties or General Common Elements of the Condominium Regimes shall be used for the storage or placement of furniture or any other articles, including, but not limited to, boxes, shopping carts, and the like or for holding meetings of any kind, without the express written permission of the Master Board, or The Marbella Club Manager, as the case may be.-----

----- (O) No Unit Owner or occupant shall make or permit to be made any disturbing noise in the Common Properties or the General and/or Limited Common Elements of the Condominium Regimes or in the Residential Units, by himself, his family, friends, tenants, employees, servants, invitees, or domestic pets; nor permit anything to be done by any such persons or domestic pets as would interfere with the rights, comfort or convenience of other Unit Owners or occupants. No Unit Owner or occupant shall play or allow to be played any musical instrument, radio, television, stereo, tape recorder or the like in an unreasonable manner so



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as to disturb or annoy any other Unit Owners or occupants.-----

----- (P) No rugs shall be beaten on any of the Common Properties or the General and/or Limited Common Elements of the Condominium Regimes, or from the balconies of the Residential Units, nor dust, rubbish or litter swept from the Residential Units onto any of the Common Properties or the General and/or Limited Common Elements of the Condominium Regimes. Unit Owners and occupants must deposit all rubbish or litter in the designated areas and receptacles provided for such purpose.-----

----- (Q) No Unit Owner or any of his agents, servants, employees, licensees, or visitors shall at any time bring into or keep in his Residential Unit or any part thereof, including patios and balconies, any flammable, combustible or explosive fluid, material, chemical or substance, except for normal household use. The use or operation of barbecues shall only be permitted in the balconies of each Residential Unit or the patios designated as Limited Common Elements of a Condominium Regime. The use or operation of any barbecues in any other part of the Residential Units other than balconies of the Residential Units or the patios designated as Limited Common Elements of a Condominium Regime and/or any other part of the Common Properties or General Common Elements of the Condominium Regimes is strictly prohibited. The Master Board may identify an area within the Common Properties, wherein a common barbecue for the use and enjoyment of all Unit Owners may be constructed, erected or



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installed, at the sole cost and expense of the Unit Owners, which use shall be subject to the rules and regulations to be established by the Master Board for such purpose.-----

----- (R) Persons shall not be permitted to loiter or play in any part of the Common Properties or the General Common Elements of the Condominium Regimes not specifically designated as playground or recreational areas. -----

----- (S) The repair of all damages to the Common Properties and/or the General Common Elements of Condominium Regimes resulting from the moving and/or carrying of furniture and/or other articles therein shall be paid for by the Unit Owner or the person in charge of such articles. -----

----- (T) Nothing shall be thrown or emptied out of the windows, patios or doors of any Residential Unit, or thrown or emptied in the Common Properties or the General and/or Limited Common Elements of the Condominium Regimes.-----

----- (U) Unit Owners and occupants, their employees, servants, agents, visitors, licensees and their families shall obey the parking regulations posted at the parking areas, and any other traffic regulations promulgated for the safety, comfort and convenience of the Unit Owners and occupants. Double parking shall not be permitted, except in areas specifically designated by the Master Board for such purposes or in case of an emergency.-----

----- (V) All grillwork, awnings, hurricane shutters, and air conditioning systems installed on



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any Residential Unit shall be subject to the provisions of Section Eight, Nine, Ten and Eleven of Article III hereof.-----

----- (W) The use of gas appliances, (except gas barbecues) within any Residential Unit is strictly prohibited.-----

----- (X) The Unit Owners and occupants shall in general not act or fail to act in any manner which unreasonably interferes with the rights, comfort and convenience of other Unit Owners and occupants.-----

----- (Y) Notwithstanding any provision contained in this Deed to the contrary, the use, maintenance, construction and other restrictions set forth in this Deed shall not apply to the use by the Developer of the Common Properties or the General and/or Limited Common Elements of the Condominium Regimes, or Residential Units owned by the Developer for display, marketing, promotion, sales, leasing or construction purposes, until completion of construction thereof.-----

----- **Section Four. Maintenance and Repair Obligations and Restrictions.**-----

----- (A) Every Unit Owner must maintain and repair his or her Residential Unit and shall be responsible for any damages caused by such an omission of its obligations hereunder.-----

----- (B) Each Unit Owner shall bear the cost of all repairs to and installations of devices fixtures and parts of any kind within his or her respective Residential Unit, including, but not limited to, water, light, power, sewage and

sanitary installations, telephones, air conditioners, doors, windows, railings, lamps, and all other accessories belonging to each individual Residential Unit.-----

----- (C) Every Unit Owner shall promptly reimburse The Marbella Club Association for the cost of any repairs to any part of the Common Properties, Facilities and/or the General Common Elements or the Limited Common Elements of the Condominium Regimes, required as a result of the negligent acts or omission of said Unit Owner, his or her employees, servants, lessees, agents, visitors, licensees, family or any occupant of a Residential Unit.-----

----- (D) Every Unit Owner shall promptly repair or undertake any necessary work to his or her Residential Unit that if not performed would result in damages to other Residential Units, the Common Properties, Facilities, General and/or Limited Common Elements of the Condominium Regimes, or the structure or the general safety of any part thereof. Every Unit Owner shall be responsible for the damages resulting from failure to comply with this obligation.-----

----- (E) Each Unit Owner shall pay all of the expenses incurred for maintenance, repairs, and any ordinary and extraordinary improvements to his or her Residential Unit.-----

----- (F) Every Unit Owner shall promptly repair or undertake any necessary work to any exterior element of his or her Residential Unit that if not performed would result in the detriment of the



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appearance at The Marbella Club. For purposes of this Section, an exterior element of a Residential Unit includes, but is not limited to, awnings, railings, hurricane shutters, windows and balcony doors, balconies and/or Patios.-----

-----Section Five: Construction Restrictions. -----

----- (A) No building, fence, drives, parking or other structure shall be erected, placed or altered by any Unit Owner, except the Developer, on any part of the Common Properties or the Condominium Regimes, or otherwise in any other portion of the property constituting The Marbella Club.-----

----- (B) Since the establishment of standard inflexible building set-back lines for locating buildings or other structures on a lot tend to force construction of buildings both directly behind and directly to the side of other buildings with detrimental effect on privacy, breeze, view, preservation of important trees, and the like, no specific set-back lines are established by the Covenants and Restrictions. In order to assure, however, that the location of the Condominium Regimes, or other structures constructed on the Condominium Parcels will be staggered, with regard to the topography of and location of each individual Condominium Parcel, taking in consideration the elevation of the Condominium Parcels, the location of hillside ridges, if any and similar considerations, the Developer reserves the right to control absolutely and to decide the precise site and location of any Condominium Regime or other structure or structures, and to cluster



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otherwise arrange any structures or complex of structures on the Property and the Condominium Parcels, for reasons which the Developer may in its sole and absolute discretion and judgment deem sufficient.-----

-----(C) No structure of a temporary character shall be placed upon any portion or portions of the Property, the Common Properties, the Condominium Regimes at any time, provided, however, that this prohibition shall not apply to shelters used by any contractor during the construction of buildings and facilities on the Property.-----

-----(D) No fuel tanks or similar storage receptacles may be installed or located with any portion of the Property, except for the fuel tank of the Auxiliary Electric Power Plant which serves each of the buildings dedicated to Horizontal Property.-----

-----(E) No trees may be removed without the written approval of the Developer and when applicable, the Master Board.-----

-----(F) Unit Owners of Residential Units to which Limited Common Elements in the form of patios are assigned pursuant to the corresponding documents governing a particular Condominium Regime (the "Patios") may extend, at their sole cost and expense, the floor of the Residential Unit on the Patios, provided they do so in strict compliance with the size, pattern, design and specification contained in the document titled "Terrace Planning Covenants", identified in Exhibit B of this Deed, attached hereto and made to form an integral part



hereof.-----

-----Section Six. Segregation of Units. No Unit Owner may segregate or divide his or her Residential Unit to form one or more Residential Units.-----

-----Section Seven. Right of Entry.-----

----- (A) Each Unit Owner shall grant the right of entry, including the right to forced entry, if necessary, to his or her Residential Unit to The Marbella Club Manager, or to any person authorized by the Master Board, but only if any emergency threatening the Residential Unit of said Unit Owner or any other Unit Owner originates in the Residential Unit of said Unit Owner, whether said Unit Owner is present or not, in order that the appropriate safeguard measures may be taken.-----

----- (B) Upon request, each Unit Owner shall permit other Unit Owners or their representatives to enter his or her Residential Unit if installations, alterations or repairs to mechanical or electrical services of the Residential Unit of the Unit Owner requesting entry cannot be performed unless such entry is granted. Requests for entry shall be made in advance and in a manner and at a time that shall not cause inconvenience to the Unit Owner granting said entry. If the Unit Owner whose Residential Unit is being entered suffers any damage or loss to his or her property as a result of any act or omission of the person or persons entering his Residential Unit, said Unit Owner may present claim before The Marbella Association, through The Marbella Club Manager or the Master Board, t



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recover any damages or losses suffered by said Unit Owner. Any Unit Owner, tenant or occupant of a Residential Unit may bring any legal action against any person or persons entering his Residential Unit, under the appropriate provisions of the laws of Puerto Rico, to recover any damages or losses caused by any act and/or omission of such person or persons. -----

----- (C) Each Unit Owner shall grant the right of entry to his or her Residential Unit to The Marbella Club Manager or any person authorized by him or her to make inspections or perform repairs that may be necessary to prevent damage to other Residential Units, the Common Properties, the General Common Elements and the Limited Common Elements of the Condominium Regimes. Such inspections and/or repairs shall be made and/or performed at a time and in manner convenient to the Unit Owner or occupants of the Residential Unit.---

----- **Section Eight. Grillwork (Rejas).**-----

----- (A) Except as expressly provided for in Section Eight (B) of this Article III, the installation of any grillwork on any part of the Residential Units, including windows, balconies, doors and front doors is strictly prohibited. The Unit Owners may install the shutters permitted under Section Ten of Article III hereof to secure their Residential Units.-----

----- (B) The areas located in front of the Residential Units of each Condominium Regime expressly designated as Limited Common Elements in the corresponding Master Deeds dedicating each



Condominium Regime to the horizontal property regime, may be enclosed by the Unit Owner(s) to which said Limited Common Elements are assigned with grillwork to be installed in the specific area and in strict compliance with the size, color, pattern and specification to be determined by the Developer which shall be consistent and uniform for all the Condominium Regimes which form part of The Marbella Club.-----

-----**Section Nine. Awnings (Toldos)**. Subject to the terms and conditions specified under this Deed of Covenants and Restrictions, Unit Owners may only install awnings in the specific exterior areas of their respective Residential Units, identified in the document titled "Awning Location Plan" attached hereto as Exhibit C of this Deed, and made to form an integral part hereof. All awnings installed on any Residential Unit shall be in strict compliance with the size, color, pattern and specifications to be determined by the Developer, which shall be consistent and uniform for all the Condominium Regimes which form part of The Marbella Club.-----

-----**Section Ten. Hurricane Shutters (Tormenteras)**.

-----Subject to the terms and conditions specified in this Deed, Unit Owners may only install hurricane shutters in the windows, and sliding doors which allow access to the balconies of their respective Residential Units. All hurricane shutters installed on any Residential Unit shall be in white color, and install in strict compliance with the size, pattern and specifications provided for in Exhibit D, attached hereto and made to form



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an integral part hereof, and Page A-7.9 of The Marbella Club Construction Plans for the First Phase of the Marbella Club titled "Window Details and General Details", a copy of which shall be kept at the office of The Marbella Club Association. Unit Owners shall remove all hurricane shutters promptly after a hurricane or windstorm passes.-----

-----The installation of hurricane shutters in any other manner not permitted by this Section Ten of Article III hereof, including but not limited to the installation of hurricane shutters in the exterior of the buildings, and the enclosure of open terraces is strictly prohibited.-----

-----Section Eleven. Air Conditioning Systems.-----

-----Unit Owners may only install central air conditioning systems in the Residential Units, provided, however, that (i) no exhaust from such central air conditioning systems is discharged into any of the General Common Elements of the Residential Area Parcels and/or Condominium Regimes, (ii) all parts, wiring and pipes of the central air conditioning systems are installed within each Residential Unit and the systems' compressor is installed in the space specifically provided for such purpose on the roof of each building wherein the Residential Unit is located.--

-----The installation of interior split air conditioning systems and/or window and/or wall air conditioning units is strictly prohibited.-----

-----The replacement of any central air conditioning system must be performed in strict compliance with the original plans and





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specifications applicable to the installation of central air conditioning systems.-----

-----Every Unit Owner must maintain and repair at his or her own cost and expense the central air conditioning system which service his or her Residential Unit. Every Unit Owner shall be responsible for any damages caused to other central air conditioning systems, the roof or any part of the Condominium Regimes and/or the Common Properties of The Marbella Club, by any person or entity providing maintenance or repair services to the central air conditioning system which service his or her Residential Unit. Any and all visits for central air conditioning systems maintenance or repair must be coordinated with The Marbella Club Manager or the Master Board, with at least forty eight (48) hours previous notice.-----

-----Section Twelve. Auxiliary Power Plants (Plantas Auxiliares Eléctricas). The installation and/or use of individual auxiliary power plants for a particular Residential Unit is strictly prohibited.-----

-----Section Thirteen. Lighting Fixtures; Fans. The lighting fixtures originally installed in the balconies, terraces and exterior of each Residential Unit are the only lighting fixtures allowed to be installed in the balconies, terraces and exterior of the Residential Units. Unit Owners may not substitute or replace the original lighting fixtures installed in the balconies, terraces or exterior of any Residential Unit and/or building for any other type of lighting fixtures.-----



-----The installation or use in any Residential Unit of any lighting equipment or fixture on or affecting the beach directly or indirectly is strictly prohibited. Furthermore, the installation or use in any part of the Property of any lighting equipment or fixture on an affecting the beach directly or indirectly shall be subject to all federal and local laws, regulations and plans, including but not limited to the Sea Turtles Conservation Plan.-----

-----Subject to the terms and conditions specified in this Deed, Unit Owners may install electrical fans in the terraces of their respective Residential Units. All electrical fans installed on any terrace of any Residential Unit must be installed in strict compliance with the size, color, pattern and specifications to be determined by the Developer, which shall be consistent and uniform for all the Condominium Regimes which form part of The Marbella Club.-----

-----Section Fourteen. Curtains and Blinds. Any and all curtains and blinds installed in the Residential Units must be installed in the interior of the Residential Units. The portion of any and all curtains and blinds facing the exterior of any Residential Unit must be in white.-----

-----Section Fifteen. Satellite Dishes. The installation and/or use of individual Satellite Dishes for the benefit of a particular Residential Unit in any part of a Residential Unit, or the General and/or Limited Common Elements of the Condominium Regimes is strictly prohibited.



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Notwithstanding the above, the Unit Owners of a Condominium Regime may, by the affirmative vote of three fourths (3/4) of all Unit Owners of said Condominium Regime, at their sole cost and expense, install a Satellite Dish for the benefit of all the Unit Owners of said Condominium Regime.-----

-----The installation and type of any Satellite Dish permitted pursuant to this Section shall be approved by the Master Board and shall be subject to the Applicable Palmas Covenants.-----

-----**Section Sixteen: Landscaping.** Any and all landscaping to be planted or installed in any part of the General and/or Limited Common Elements of the Condominium Regimes, the Common Properties or within any part of The Marbella Club shall be planted and maintained by The Marbella Club Association, in strict compliance with the patterns and specifications of the landscaping originally planted or installed by the Developer.-----

-----**Section Seventeen. Restriction on Changes.**-----

----- (A) Except for purposes of proper maintenance and repair, or as otherwise permitted or required by law, this Deed of Covenants and Restrictions, the Certificate of Incorporation and the By-Laws of The Marbella Club Association, the documents governing each Condominium Regime and, to the extent applicable the Condominium Act, it shall be strictly prohibited for any Unit Owner to install, erect, attach, apply, paste, hinge, screw, nail, build, alter, remove or construct any lighting shades, screens, awnings, railings, window guards grillwork (rejas), patio covers, decorations



fences, walls, aerals, antennas, radio or television broadcasting or receiving devices, individual satellite dishes, water heaters, water tanks, slabs, sidewalks, curbs, gutters, patios, balconies, porches, driveways, or to make any change or otherwise alter (including any alteration in color) in any manner whatsoever the Common Properties, Facilities, the exterior of any part of a Residential Unit or any of the General and/or Limited Common Elements of the Condominium Regimes, or to remove or alter any window or exterior door of any Residential Unit, or to make any change or alteration within any Residential Unit which will alter the structural integrity of any adjoining Residential Unit, the General and/or Limited Common Elements of the Condominium Parcels and/or Condominium Regimes, the Common Properties, any part of The Marbella Club, or otherwise affect the property, interest or welfare of any other Unit Owner, materially increase the cost of operating or insuring the Condominium Regimes, or any part thereof, and/or the Common Properties, or impair any easement or in any other way, form or manner affects or diminishes the first class residential community of The Marbella Club.-----

----- (B) Subject to the terms and conditions of this Deed of Covenants and Restrictions, and particularly Section Seventeen (A) above, the Certificate of Incorporation and the By-laws of The Marbella Club Association, the documents governing each Condominium Regime and, to the extent applicable the Condominium Act, Unit Owners



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desiring to undertake any improvements within their respective Residential Unit must notify in writing any intended improvement to The Marbella Club Association, prior to undertaking any such improvements. All improvements within a Residential Unit must be performed on week days commencing no earlier than eight a.m. (8:00 a.m.) and ending no later than five p.m. (5:00 p.m.) each day.-----

----- (C) Subject to the terms and conditions of this Deed, and particularly Section Seventeen (A) above, the Certificate of Incorporation and the By-laws of The Marbella Club Association, the documents governing each Condominium Regime and, to the extent applicable the Condominium Act, Unit Owners desiring to group two or more Residential Units must notify their intentions to The Marbella Club Association, prior to undertaking such grouping. The grouping of Residential Units must be approved by the majority of the Unit Owners of the corresponding Condominium Regime and must comply with all applicable requirements for the grouping of residential units dedicated to the horizontal property regime. The owner of two or more Grouped Residential Units is responsible for the full payment of all Assessments attributable to the Grouped Residential Units.-----

----- **Section Eighteen. Additional Rules and Regulations.** The Master Board may from time to time promulgate such rules and regulations and may publish such statements of policy, standards, guidelines and establish such criteria relative to architectural style or details, or other related

matters, as it may consider necessary or appropriate, which rules and regulations shall be duly approved by the Unit Owners as provided for in the By-laws of The Marbella Club Association. No such rules, regulations, statements, criteria or the like shall be construed as a waiver of the provisions of this Article III or any other provision or requirement of this Deed of Covenants and Restrictions, the Certificate of Incorporation or the By-Laws of The Marbella Club Association.---

-----**Section Nineteen: Applicable Palmas Covenants; Covenants for the Benefit of PDMPI.**

The Property is located within the Palmas del Mar Resort, and the Property and each Residential Unit is subject to the terms and conditions of the Restrictive Covenants set forth in Deed Number sixty six (66) executed before Notary Public Edgar F. Balzac Rivera, the PHA Covenants and By-laws, the Architectural Review Board Regulations and By-laws (the "ARB Regulations") and any other regulation or documentation applicable to the Property (all together, the "Applicable Palmas Covenants").-----

----- (b) Palmas del Mar Properties, Inc. ("PDMPI") has represented to the Developer that it is essential to the successful development of the Palmas del Mar Resort that all areas of the Palmas del Mar Resort are maintained as a first class resort community. In accordance therewith, the covenants identified in paragraph (c) below, are hereby also created to exist for the benefit of PDMPI, its successors and assigns (all together, the "Covenants for the Benefit of PDMPI") and to



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run with the Property, regardless of the applicability of the Applicable Palmas Covenants to The Marbella Club.-----

----- (c) The Covenants for the Benefit of PDMPI are as follows:-----

----- (i) Article III, Section 3, paragraphs (F), (I), (L), and (N).-----

----- (ii) Article III, Section 4, paragraph (F).-----

----- (iii) Article III, Section 5.-----

----- (iv) Article III, Sections 8 through 16, both inclusive.-----

----- (v) Article III, Section 17, paragraph (A).-----

----- (vi) Article IV, Section (C).-----

-----ARTICLE IV-----

-----Section One. Rental Restrictions.-----

----- (A) No portion of a Residential Unit, other than the complete individual lockout areas of each Residential Unit may be rented. Any lease agreement shall provide that the terms of the lease shall be subject in all respects to the provisions of this Deed, the Applicable Palmas Covenants, the Certificate of Incorporation and By-Laws of The Marbella Club Association, the documents governing the Condominium Regimes, and, to the extent applicable, the Condominium Act, and that any failure of the lessee to comply with the terms of such provisions shall be a default under the lease, which default shall be remedied by the Unit Owner. In the absence or failure of the Unit Owner to remedy any default under the lease herein referred,



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The Marbella Club Association may remedy or cure such default, in accordance with the applicable provisions of this Deed, the Certificate of Incorporation and By-Laws of The Marbella Club Association, the documents governing the Condominium Regimes, and, to the extent applicable, the Condominium Act, and any and all expenses incurred by The Marbella Club Association in connection with the procurement of such remedy shall be payable by the corresponding Unit Owner.

----- (B) All Long Term Leases (as hereinafter defined) must be in writing, and the Unit Owner shall provide the Master Board or The Marbella Club Manager, if any, a copy of the lease agreement at least fifteen (15) days prior to the lessee occupying the applicable Residential Unit. PDMPI, at its sole cost and expense, shall have the right to review the records kept by the Master Board or The Marbella Club Manager, if any, relating to Long Term Leases. For purposes of this Deed, a Long Term Lease ("Long Term Lease") shall mean the lease of a Residential Unit to a lessee for a period of ninety (90) continuous days or more and a short term lease ("Short Term Lease") shall mean the lease of a Residential Unit to a lessee for a period of less than ninety (90) continuous days.---

----- (C) The lease of the Residential Units shall be subject to the following restrictions:-----

-----1. All Short Term Lease rental offerings of Residential Units may only be conducted, through either (i) rental management entity to be selected by the Master Board or (ii) the rental management



entity to be selected by PDMPI. Each Unit Owner shall have the right to select, at its sole discretion, in which of the rental programs referred to in this Section it will place his or her Residential Unit.-----

-----2. Any person or entity leasing a Residential Unit shall be subject to the Parking Rules and Regulations adopted by The Marbella Club Association.-----

-----ARTICLE V-----

-----Section One. Creation of Easements.-----

----- (A) The Developer hereby creates and reserves unto itself, its successors and assigns, a perpetual, alienable and releasable easement and right on, over and under the ground to erect, maintain and use electric and telephone poles, wires, cables, conduits, sewers, water mains and other suitable equipment for the conveyance and use of electricity, telephone, equipment, gas, sewer, water or other public conveniences or utilities on, in or over those portions of the Property, the Common Properties, the Areas to be Dedicated to Public Use, the Condominium Parcels and/or the Condominium Regimes, including any General and/or Limited Common Element thereof, as may be required for utility easements. These easements and rights expressly include the right to cut any trees, bushes or shrubbery, make any grading on the soil, or to take any other similar action reasonably necessary to provide economical and safe utility installations and to maintain reasonably standards of health, safety and appearance. The Developer



further reserves the right to locate irrigation facilities, wells, pumping stations, and tanks upon any portions of the Property, the Common Properties, the Areas to be Dedicated to Public Use and/or the Condominium Regimes. All such rights described in this Section One of Article V may be exercised by any assignee of the Developer, but this reservation shall not be considered an obligation of the Developer to provide or maintain any such utility or service.-----

----- (B) Taking into account the possibility that the free flow of pedestrian traffic may be impaired or impeded along the Common Properties and Facilities, and/or the General Common Elements of each of the Condominium Parcels and/or Condominium Regimes, or any part thereof including promenades, walkways, alleys, and like pedestrian accesses found within the property boundaries of the Condominium Regimes located within the confines of the Property, the Developer by these Covenants and Restrictions hereby establishes and creates a pedestrian and right-of-way easement in its favor and in favor of (i) its successors and assigns, (ii) The Marbella Club Association, and (iii) each Unit Owner over, among and between all Common Properties and Facilities and/or the Condominium Parcels to be segregated from the Property including the General Common Elements of each of the Condominium Regimes, or any part thereof including any and all promenades, walkways, alleys and like pedestrian accesses therein located.-----

-----The granting of the pedestrian and right-of-



way easement created pursuant to this Section One (B) of Article V hereof does not in any way grant to the public or to the owners of any surrounding or adjacent land, the right to enter into the Condominium Regimes and/or Common Properties without the express permission of the Developer or The Marbella Club Association.-----

-----ARTICLE VI-----

-----Section One. Reservation of Rights by Developer.-----

----- (A) The Developer reserves in each instance the right to add, at its sole and absolute discretion, additional restrictive covenants in respect to the Property or any part thereof or to limit therein the application of these covenants, and to review, modify and the amend The Marbella Club Master Plan, including without limitation releasing and withdrawing from the Property, by segregation or otherwise and hence, from the effect of the Covenants and Restrictions any portion of the Property .-----

----- (B) It is the true intent and purpose of the Developer that the Covenants and Restrictions contained herein shall be the applicable covenants restricting and affecting The Marbella Club and any part thereof, provided, however, that the Developer, in its sole discretion, may add, modify, change, or revoke such covenants in the event such addition, modification, change, or revocation is deemed convenient by the Developer, with these covenants and restrictions being made applicable to such parts of The Marbella Club by specific



reference in individual deeds, or by subsequent declaration to the extent that there is any variation from and addition to the covenants herein recorded.-----

----- (C) The right is expressly reserved to the Developer and to The Marbella Club Association to erect wildlife feeding stations and turtle nesting areas, to plant small patches of cover and food crops for birds and other wildlife, to make access trails or paths or boardwalks through any part of the Property for the purpose of permitting the observation and study of wildlife, hiking and riding, to erect small signs throughout any part of the Property designating points of particular interest and attraction, build rest and comfort stations and to take such other steps as are reasonable, necessary and proper to further the aims and purposes The Marbella Club and the community use and enjoyment of all parts thereof.--

----- (D) The Developer reserves unto itself, its successors and assigns the right to go on, over and under the ground on the Property to erect, maintain and use electric and telephone poles, wires, cables conduits, sewer, water mains and other suitable equipment for the conveyance and use of electricity, telephone equipment, gas, sewer, water and other public or private conveniences or utilities in the Condominium Regimes and any part thereof, and/or Common Properties, and any part of the Property. These reservations and rights expressly include the right to cut any trees, bushes, or shrubbery, make any grades of the soil,



or take any other similar action reasonably necessary to provide economical and safe utility installations and to maintain reasonable standards of health, safety and appearance. The Developer further reserves the right to locate irrigation facilities, wells, pumping stations and tanks within the Condominium Regimes, and any part thereof, and/or Common Properties, and any part of the Property. Such rights may be exercised by any assignee of the Developer, but this reservation shall not be considered an obligation of the Developer to provide or maintain any such utilities or services.-----

----- (E) The Developer hereby expressly reserves to itself, its successors or assigns, the right to reconfigure any parcel shown on The Marbella Club Master Plan and to take such other steps as are reasonably necessary to make such reconfigured parcel suitable and fit as a building site including, but not to be limited to the relocation of all or part of the Condominium Parcels, Common Properties, Facilities, Areas to be Dedicated to Public Use, easements, walkways, rights of way and roads, all to conform to the new boundaries of the said reconfigured lots.-----

----- (F) The Developer expressly reserves to itself, its successors or assigns, any other provisions in this Deed notwithstanding, the right to build any path, walkway or road across any or all parts of The Marbella Club. Nothing in the paragraph shall be construed as placing an affirmative obligation on the Developer to provide



or construct any path, walkway or road.-----  
----- (G) In order to implement effective insect, reptile, rodent, pest, and termite control and provide view and breeze easements, the Developer reserves for itself and The Marbella Club Association and their agents the right to enter upon any part of the Condominium Regimes, such entry to be made by personnel with suitable devices, for the purpose of mowing, removing, clearing, cutting or pruning underbrush, weeds or other unsightly growth, removal of termite nests and the like, which in the opinion of the Developer and/or The Marbella Club Association detracts from the overall beauty, setting and safety of The Marbella Club, or blocks the view or breeze of a neighboring unit. The cost of this pest and vegetation control and any other described activity, shall be paid by the Unit Owners as part of The Marbella Club Assessments set forth in Section Nine of Article II hereof. Such entrance for the purpose of mowing, cutting, clearing or pruning, shall not be deemed a trespass. The Developer, The Marbella Club Association, and their respective agents, may likewise enter upon such parts of the Condominium Regimes to remove any trash which has been collected on such areas without such entrance and removal being deemed a trespass. The provisions in this paragraph shall not be construed as an obligation on the part of the Developer to mow, clear, cut or prune any part of the Property, nor to provide garbage or trash removal services.-----



A handwritten signature in black ink, appearing to be "JAG", located below the notary seal.

----- (H) The Developer expressly reserves to itself, its successors, and assigns, every reasonable use and enjoyment of all Condominium Parcels, the Condominium Regimes and/or Common Properties, in a manner not inconsistent with the provisions of this Deed and to the extent applicable, the Condominium Act.-----

---- (I) The right is reserved by the Developer or its agents to use any unsold Residential Unit or Units for display purposes and to display "FOR SALE" or "FOR RENT" signs for unsold Residential Units still owned by the Developer, subject to the Applicable Palmas Covenants.-----

-----ARTICLE VII-----

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

-----Section One. Duration. The Covenants and Restrictions shall run with and bind the Property, the Common Properties and Facilities, Condominium Parcels, Condominium Regimes and Residential Units, and every part thereof, and except where otherwise provided, shall inure to the benefit of the Developer, The Marbella Club Association, the Unit Owners and their respective legal representatives, heirs, successors, and assigns, for a term of forty (40) years from the date this Deed is filed for recordation, after which time the Covenants and Restrictions shall be automatically extended for successive periods of ten (10) years, unless an agreement executed by three fourth (3/4) of the Unit Owners upon the expiration of said initial forty (40) year period or any of said ten (10) year extensions, has been recorded canceling of record



in the Registry the Covenants and Restrictions or otherwise amending or supplementing the same.-----

-----Section Two. Amendments. -----

-----As long as the Developer is a Member of The Marbella Club Association, this Deed may only be amended by the Developer, who shall be and is hereby authorized to amend any part hereof, as in its sole and absolute discretion, it deems necessary and convenient.-----

-----Subject to the provisions of the preceding paragraph and Article I hereof, the Covenants and Restrictions may only be amended by an agreement in writing, effective upon the recording thereof in the Registry, executed by three fourths (3/4) of the Unit Owners, except in cases where the matter is of such nature that a different proportion of votes is required by any express provision of this Deed, the Certificate of Incorporation or the By-laws of The Marbella Club Association, in which case said express provision shall govern the decision of such matter.-----

-----Notwithstanding the above, the amendment of any Covenant for the Benefit of PDMPI (as herein defined) shall also require the written consent of PDMPI.-----

-----Section Three. Enforcement. (a) The Covenants and Restrictions shall be enforceable by the Developer and/or The Marbella Club Association. Enforcement of these Covenants and Restrictions shall be by any action or proceeding at 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/or against The Marbella Club Association, and/or any subdivision thereof, including without limitation, the Unit Owners, to enforce any lien created by the Covenants and Restrictions. Expenses of any such actions or proceedings, including reasonable attorneys' fees and expenses, shall be paid by the person or persons who shall be determined by a court or governmental agency in such actions or proceedings to have violated or attempted to violate any of the Covenants and Restrictions. The failure by the Developer or The Marbella Club Association to enforce any Covenant or Restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.-----

----- (b) In the event of a violation or breach of any of the restrictions contained herein by a Unit Owner, then the Developer and/or The Marbella Club Association shall have the right to proceed at law or in equity to compel the compliance with the terms hereof or to prevent the violation or breach in any event. In addition to the foregoing, the Developer and/or The Marbella Club Association shall have the right, to the extent permitted by law, whenever there shall have been built on any part of the Condominium Parcels, Condominium Regimes and/or Common Properties or any part of the Property, any structure which is in violation of these restrictions, to enter upon such property where such violation exist and summarily abate or remove the same at the expense of the Unit Owner,



if after thirty (30) days' written notice of such violation it shall not have been removed or corrected by the Unit Owner. Any such entry and abatement or removal shall not be deemed a trespass. The failure to enforce any rights, reservations, restrictions or conditions contained in this Deed, however long continued, shall not be deemed a waiver of the right to do so hereafter as to the same breach, or as to a breach occurring prior to or subsequent thereto and shall not bar or affect its enforcement. The invalidation by any court of any other restrictions of these covenants shall in no way affect any of the other restrictions, and shall remain in full force and effect.-----

----- (c) In addition, if the Developer and/or The Marbella Club Association fail to enforce compliance with the Covenants for the Benefit of PDMPI, PDMPI, its successors and assigns, shall provide written notice of the violation to the Developer and/or The Marbella Club Association, as applicable. If (a) within fifteen (15) days from such notice, the Developer and/or The Marbella Club Association have taken no action to correct or cure such violation, or (b) if such action has been taken by the Developer or The Marbella Club Association and the violation has not been corrected or cured within the period provided for by the Developer or The Marbella Club Association, PDMPI shall then have the same enforcement rights afforded to the Developer and/or The Marbella Club Association, as described in paragraphs (a) and (b)



above, and may notify directly the Unit Owner or the person or entity responsible for such violation. The failure by PDMPI, its successors and assigns, to enforce any of the Covenants for the Benefit of PDMPI, however long continued, shall not be deemed a waiver of its right to do so hereafter as to the same breach, or as to a breach occurring prior to or subsequent thereto and shall not bar or affect its enforcement. PDMPI, its successors and assigns, shall be entitled to reimbursement of the cost of such enforcement action, including reasonable attorneys' fees and expenses, from the party who violated the applicable Covenant for the Benefit of PDMPI.-----

-----Section Four. Developer's Exemption.-----

-----Notwithstanding any provision of this Deed to the contrary, the Covenants and Restrictions shall not apply to any Residential Unit owned by the Developer, until title to such Residential Unit has been delivered by the Developer to a purchaser thereof through the execution of the proper deed of purchase and sale. Furthermore, the aforesaid provisions shall not apply to any action by the Developer with respect to the Condominium Parcels, Condominium Regimes, Common Properties and Facilities, and/or any part of the Property until completion of construction thereof.-----

-----Section Five: Ratification of Deed. All present and future Unit Owners, tenants or future tenants, and any of the present or future occupants of a Residential Unit, and all persons that might use any of the Common Properties and/or Facilities



or any part of The Marbella Club in any manner whatsoever, are and shall be subject to the provisions of this Deed, and the Certificate of Incorporation and By-laws of The Marbella Club Association, as well as any and all decisions, resolutions and agreements adopted by the Developer, The Marbella Club Association and/or the Master Board, and the mere acquisition, rental or occupancy of a Residential Unit shall signify that the provisions of this Deed, the Certificate of Incorporation and By-laws of The Marbella Club Association and the decisions, resolutions and agreements adopted by the Developer, The Marbella Club Association and/or the Master Board are accepted and ratified.-----

-----**Section Six: Valuation**. For registration and notarial purposes and for no other purpose, the Developer values the Covenants and Restrictions herein established in the amount of ONE THOUSAND DOLLARS (\$1,000.00).-----

-----**MISCELLANEOUS**-----

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

-----**Section Eight: Severability**. If any provisions of this Deed or the application of such provision to any person or circumstances shall be held invalid, the remainder of the Deed, or the



application of such provision to persons or circumstances other than those to which it is held invalid, shall not be affected thereby.-----

-----**Section Nine: Conflicts.** In the event that any provision of this Deed shall be determined, by the final and unappealable adjudication of any court or forum having jurisdiction over the parties hereto and the subject matter hereof to be in conflict with any provision of the laws of the Commonwealth of Puerto Rico, including but not limited to the Condominium Act, if and when applicable, then the provisions of such laws, if and when applicable, shall supersede the specific provision determined to be in conflict, and the severability provisions set forth in Section Eight above shall apply. It is the intention of the Developer that these Covenants and Restrictions shall prevail at all times, being the express intention of the Developer that these Covenants and Restrictions be interpreted in such a way that the rights and obligations of the Residential Units of The Marbella Club planned community, as a whole, be governed by this deed and that the Condominium Act be only utilized to complement these Covenants and Restrictions for the benefit of The Marbella Club planned community created as provided herein.-----

-----**Section Ten: Invalidation of Covenants and Restrictions.** In the event that any part or portion of the Covenants and Restrictions is declared to be null, void, invalid, illegal or unenforceable in its entirety, or in such a significant manner that The Marbella Club



Association is not able to function substantially as contemplated by the terms hereof, for any reason whatsoever, by the final and unappealable adjudication of any court or forum having jurisdiction over the parties hereto and the subject matter hereof, the corresponding government entity of each Condominium Regime shall be solely responsible for the enforcement and/or undertaking of any such Covenant and Restriction invalidated as herein provided (in accordance with the corresponding documents governing each Condominium Regime, and if and to the extent applicable, the Condominium Act) and all other Covenants and Restrictions not invalidated as herein provided shall remain in full force and effect, as provided for in the severability clause set forth in Section Eight of Article VII hereof.-----

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

-----**Section Twelve:** This Deed shall and may be known as its title states or also as the "Deed of Covenants and Restrictions of The Marbella Club".--

-----**PETITION TO REGISTRAR**-----

-----The Developer respectfully requests that the Honorable Registrar of Property of the Humacao Section of the Registry records the Covenants and Restrictions as an equitable servitude ("servidumbre en equidad") and restrictions and



covenants upon the Property, Condominium Parcels, Condominium Regimes, Residential Units and Common Properties and Facilities, pursuant the provisions herein contained.-----

-----ACCEPTANCE-----

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

---I, the Notary, DO HEREBY CERTIFY as to everything stated or contained in this instrument, to which I, the Notary, ATTEST AND GIVE FAITH.-----



*José B. Harrie*

*[Signature]*

*[Handwritten mark]*