

-----DEED NUMBER *** (**)-----
-----RECORD OF EDIFICATION,-----
-----CONSTITUTION OF SURFACE RIGHT,-----
-----RIGHTS OF FIRST REFUSAL AND PRE-EMPTION-----
-----CONSTITUTION OF HOMESTEAD AND FAMILY HOME PROTECTION-----

---In San Juan, Puerto Rico, on the *** (***) day of *** of the year two thousand sixteen (2016).-----

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

---Jane Doe, Attorney and Notary Public of Puerto Rico, with residence and office in ****, Puerto Rico.-----

-----APPEAR-----

---**AS THE FIRST PARTY:** The Martín Peña Channel Land Trust, a non-profit organization, with permanent existence and independent legal personality, created under Article 22 of Act Number 489 of September twenty-four (24) two thousand four (2004), Act for the Integrated Development of the Special Planning District of the Martín Peña Channel, as amended by Act Number 104 of the fourteenth (14th) of August of two thousand thirteen (2013), and governed by the General Regulation for the Functioning of the Martín Peña Channel Land Trust, in effect from the twentieth (20th) of November of two thousand eight (2008), represented in this act by Attorney María Elsa Hernández Torrales, of legal age, single, attorney, President of the Board of Trustees of the Land Trust, and resident of San Juan, Puerto Rico, whose representative faculty is demonstrated through certified copy of resolution number two thousand nine dash zero zero six (2009-006) of the Board of Trustees approved on the fourteenth (14th) of May of two thousand nine (2009). From here onward, this party is referred to as the LAND TRUST.-----

---**AS THE SECOND PARTY:** ***, of legal age, single/married/widow(er), occupation, and resident of San Juan. From here onward, this party is referred to as the SUPERFICIARY. -

---I **ATTEST** to knowing the appearing parties personally and based on their statements I also attest to their legal age, civil status, profession, and residence. They assure me that they have, and to my judgement they do have, the necessary legal capacity for this

execution, and I know of nothing that would contradict this, and as such, they freely and voluntarily. -----

-----**STATE**-----

---**FIRST**: Act 489 of the twenty-fourth (24th) of September of two thousand four (2004) (from here onward Act 489-2004), as amended by Act 104 of the fourteenth (14th) of August of two thousand thirteen (2013) (from here onward Act 104-2013), established the public policy of the Commonwealth of Puerto Rico of granting attention to the environmental restoration of the Martín Peña Channel and rehabilitating and revitalizing the communities on its northern and southern boundaries, with the purpose of promoting a healthy relationship between the natural environment, the city and the surrounding communities, with an integrated vision regarding development and parting from the basis of community empowerment. -----

---**Moreover**, Act 489-2004, as amended by Act 104-2013, created the LAND TRUST as a private entity, with independent legal personality and of permanent duration to enable the implementation of the Integrated Development and Land Use Plan for the Special Planning District of the Martín Peña Channel, favor the collective possession of land, and promote the availability of dignified and affordable housing in the long term. -----

---In accordance with the legislative and regulatory dispositions, the LAND TRUST is charged with having ownership, as well as possessing, safeguarding and managing the assigned lands in the Special Planning District of the Martín Peña Channel, and any others acquired by it in the future, for the benefit of the integrated development of the Special Planning District of the Martín Peña Channel and with the participation of its residents in a leading role. -----

---Article 22 of Act 489-2004, as amended by Act 104-2013, provides that the LAND TRUST will retain ownership over the land and will have the responsibility of exercising all the legal prerogatives that accompany full ownership of the lands it acquires. -----

---Furthermore, Act 489-2004, as amended by Act 104-2013, states that owners in lands of the LAND TRUST may have ownership exclusively over the structure, but not over the land on which it stands; and that the recognition of the surface right will be recorded in

a public deed so it is inscribed in the Property Register. Members of the LAND TRUST may be members of the Board of Trustees of the Land Trust and collectively they will participate in the decisions taken regarding the lands. -----

---Article 22(c) of Act 489-2004, as amended by Act 104-2013, provides that the LAND TRUST will be exempt from the payment of all taxes, patents, charges, and licences imposed by the Commonwealth of Puerto Rico and its municipalities, including property taxes, among others. It will also be exempt from the payment of all type of charges, internal revenue stamps and **vouchers**, registration fees, costs or **taxes** for judicial processes, the issuing of certifications in all offices and agencies of the Commonwealth of Puerto Rico, and the **execution** by the LAND TRUST of public or private documents, as well as any seal, stamp, voucher or fee required for the granting of permits, endorsements, queries, and/or certifications.-----

---**SECOND**: That the LAND TRUST is plenary owner of the property described below (from here onward the Property): -----

-----Urban: Plot of land of irregular shape, located in the Hato Rey Ward, of the municipality of San Juan, formerly Río Piedras, with a superficial area of thirty-eight **cuerdas** with one thousand one hundred seventy-five ten thousandths of a *cuerva* (38.1175 *cuerdas*), equivalent to fourteen hectares, eighty-one are, eighty-six centiares with seven thousand six hundred ninety-seven ten-thousandths of a centiare. Bordering to the north, with Felicita de Jesús, Faustino Rosario, the People of Puerto Rico, the Municipality of San Juan, formerly Río Piedras, and **Workshops** of the War Emergency Plan; to the South, with Angie Street, Texidor Street, Antonio Navarrio, Pedro Cruzado, Luis R. Ortiz, Julián Pomales, Pacheco Street, **continuation** of Israel Street and lands owned by the Urban Renovation and Housing Corporation of Puerto Rico; to the East, with the Municipality of San Juan, formerly Río Piedras and with the Martín Peña Channel, and, to the West, with Carpenter Road, which leads from Barrio Obrero in Santurce to Río Piedras, lots belonging to various owners, Angie Street, lots belonging to various owners, Julián Pomales, Ramona Morales and the continuation of Israel Street. This Plot consists of two (2) portions separated by Texidor Street and the continuation of

Israel Street. -----

---The Property is registered on page 52 of volume 735, estate number 21197, of North Río Piedras, Second Section of San Juan, Public Register of Puerto Rico. -----

--- According to the **certification from the Register**, issued on the twenty-second (22nd) of April of two thousand fourteen (2014), the Property is encumbered by easement in favor of the Puerto Rico Aqueduct and Sewer Authority, easement in favor of the Capital of Puerto Rico, and easement for pipelines and rainwater and sewer drainage. -----

--- **THIRD:** The LAND TRUST states that it acquired the Property described in the STATE SECOND by transfer of ownership title from the Corporación del Proyecto ENLACE del Caño Martín Peña (**Martín Peña Channel ENLACE Project Corporation**), as appears in deed number three (3) about the Martín Peña Channel Land Trust, executed on the fourteenth (14th) of May of two thousand nine (2009), before Notary Public Irma Gascot Oyola submitted and pending registration to entry 628 of logbook 1071 of North Río Piedras. -----

---**FOURTH:** On the Property described in the STATE SECOND there exists an edification for housing (from here onward referred to as the Edification) which is susceptible to use and enjoyment independently from the rest of the estate. Said Edification is not registered in the Property Register. -----

---**FIFTH:** The Edification mentioned in the STATE FOURTH was acquired by the SUPERFICIARY by purchase, as appears in deed number ***** (***) of purchase, executed on the day* (***) of month* of year* (***) , before Notary Public *****.-----

---**SIXTH:** **The SUPERFICIARY expressed to the authorizing Notary Public that** he estimates the value of the Edification mentioned in the STATE FOURTH at *** (\$***). ---

---The Edification is described below in accordance with deed of purchase number *****:

---Urban: House made of wood, with zinc roof, located on ***** Street, number ***** (*****) in the Bitumul Neighborhood, Hato Rey, San Juan, Puerto Rico. It stands in a lot which measures approximately ***** square meters (***** s.m.), lot which is owned by the People of Puerto Rico. It consists of living room, dining room, two bedrooms, kitchen, bathroom and balcony. It has an annex that consists of living room, dining room,

kitchen, bathroom, and one bedroom. It borders, to its front, with ****; to its rear with ****; to the right side with ****, and to the left side with ****. -----

---The Edification has direct access to the public road, specifically to **** Street, which is adjacent to its entry platform. -----

--- The Building is located in, and borders, lands belonging to the LAND TRUST. -----

---Cadastre number:

---The Edification is free of burdens and liens, including those related to taxes. VERIFY**-

---SEVENTH: The full footprint of plot number *** (**), on *** Street, located in the *** community, of the Santurce/Hato Rey* ward, in the municipality of San Juan, is of *** square meters with *** ten thousandths of square meter (** s.m.), equivalent to *** ten thousandths of cuerda (** cda.). The plot is located on the *** side the Property. ---

---The surface right granted in favor of the SUPERFICIARY is equivalent to *** square meters with *** ten thousandths of square meter (** s.m.) and is located on the land belonging to the LAND TRUST. -----

---The plot borders to the North, along a distance of ** meters with ** centimeters (** m.), with lot ** (**); to the South, along a distance of ** meters with ** centimeters (** m.), with lot ** (**); to the East, along a distance of ** meters with ** centimeters (** m.), with lot ** (**), and, to the West, along a distance of ** meters with twenty centimeters (5.20 m.), with lot ** (**).

---The previous information appears in the Inscription/Survey Diagram** for the Buena Vista Santurce II community, project number CRUV one zero dash two five (10-25), located in Santurce, in the municipality of San Juan, sheet number illegible of four (4), prepared by the defunct Puerto Rico Urban Renovation and Housing Corporation (CRUV), now Department of Housing of the Commonwealth of Puerto Rico, and submitted and approved on the seventh (7th) of November of nineteen seventy five (1975).-----

--The previously mentioned Inscription/Survey Diagram** is made part of this deed as Appendix One (1). -----

-----RECORD OF EDIFICATION-----

---**EIGHTH:** In compliance with what is provided in Title XI B Surface Right of the Real Estate Property Registry of the Commonwealth of Puerto Rico Act (Act No. 210 of the 8th of December of 2015) and prior to the execution of this deed, I, the Notary Public, visited the place where the Edification is located and I was able to verify its existence, which corresponds with the description presented in this deed, to which I ATTEST. -----

---**NINTH:** The appearing parties state that they have agreed to execute the present deed subject to the following: -----

-----**CLAUSES AND CONDITIONS**-----

-----**Surface Right**-----

---**FIRST:** THE LAND TRUST agrees to gratuitously cede to the **SUPERFICIARY** the surface right over **** square meters with **** ten thousandths of square meter (**** s.m.), equivalent to *** ten thousandths of *cuerda* (** cda.), which constitute the land of the property where the Edification is found, due to the fact that the **SUPERFICIARY** is the owner of an edification which stands on lands belonging to the LAND TRUST and which he uses exclusively as his regular and permanent residence. -----

---**The SUPERFICIARY** receives and accepts from the LAND TRUST the surface right. -----

---**SECOND:** For purposes exclusively of this deed and of the Property Register, the LAND TRUST **assesses** the surface right granted here at **** (\$****), which **is equivalent to** one dollar (\$1.00) per square meter of the lot that the Edification occupies.-----

---**THIRD:** The LAND TRUST and the **SUPERFICIARY** will be responsible of paying the territorial taxes, if any, of their respective properties, agreeing, furthermore, to use their respective properties exclusively for residential purposes and not use them for harmful or dangerous activities. Likewise, they agree to refrain from installing or using in said properties equipment, machinery, elements, sound-producing instruments, that are noisy or bothersome.-----

---**FOURTH:** **The SUPERFICIARY** acknowledges that before the execution of this deed he received a copy of the “General Regulations for the Functioning of the Martín Peña Channel Land Trust” and he acknowledges that he agrees to abide by its provisions. -----

-----**Maintenance Work or Urgent Improvements**-----

---**FIFTH:** The LAND TRUST may carry out maintenance work or urgent improvements on the land as well as on the Edification at the expense of the **SUPERFICIARY** if, after providing him with written notification regarding the necessity and the available term to perform them, the **SUPERFICIARY** does not act diligently. In these cases, the **SUPERFICIARY** will be responsible of repaying to the LAND TRUST the cost of the work and all of the incidental expenses **in which it incurs**. This obligation will constitute a real lien which will burden the edification until it is **paid**. To recover the amount invested in the maintenance work or urgent improvements, the LAND TRUST may impose on the **SUPERFICIARY** the payment of a monthly **fee** until the debt is paid. This **fee** must be paid in full regardless of any exemption or discount in the **surface right fee**, if any, that the **SUPERFICIARY** may be entitled to. If the edification **were** regulated by the **horizontal property regime**, the Titleholders Council will be responsible of carrying out the works or of paying for them, and this responsibility will be executed through the board of directors of the Titleholders Council. In case the edification belongs to a cooperative, the responsibility of carrying out the works or of paying for them will fall upon its board of directors. -----

---**SIXTH:** In case the **SUPERFICIARY** wishes to demolish, extend or elevate the Edification, he must first obtain the express consent of the LAND TRUST; and both parties must consent, in accordance with the procedure provided in the **General** for the Functioning of the Land Trust, and they must record it in a notarial act to those ends. ----

-----**Rights of First Refusal and Pre-emption of the LAND TRUST**-----

----**SEVENTH:** The LAND TRUST will have the right to preferentially acquire the Edification in case the **SUPERFICIARY** decides to dispose of it, and to recover it from any purchaser in case the **SUPERFICIARY** does not fulfill the requirement of proper notification. To protect these rights of first refusal and pre-emption, the **SUPERFICIARY** assumes the obligation to: -----

-----A. Notify the LAND TRUST his decision to sell the edification, the proposed sale price, the date on which he puts the edification up for sale, and the time period for

exercising the **right of first refusal**, which will be no less than thirty (30) working days. All notifications to this purpose will be made in writing, and will be considered properly carried out when it is delivered personally to the executive director of the LAND TRUST or a **representative named by her** or sent by certified mail **to the attention of** the executive director of the LAND TRUST to the following address: -----

-----ATT: Executive Director-----
-----Martín Peña Channel Land Trust-----
-----PMB 1838-----
-----#243 París Street-----
-----San Juan, Puerto Rico 00917-3262-----

-----B. The sale price of the edification set by the owner may not exceed fair market value, according to the appraisal **performed** on the date the edification is placed on sale by an **appraiser** paid for by the seller, and accepted by the LAND TRUST. -----

-----C. If the LAND TRUST understands that the edification has been overvalued in the appraisal, it may obtain a second appraisal at its own expense. If an agreement is not reached regarding the sale price, both parties will choose by common agreement a third appraiser which they will pay for in equal parts, and they will accept the third appraisal as being correct. -----

-----D. In case the LAND TRUST does not exercise its right to preferentially acquire the edification, the owner may sell it to a third party for the same amount that the LAND TRUST would have paid had it exercised its right. -----

-----E. If the owner of the edification sells it to a third party for an amount greater than that established here, the referred owner will be required to return said excess to the acquiring third party. In case the LAND TRUST exercises its **pre-emptive right**, it will only pay to the acquiring third party the sale price with the deductions that apply, as provided in this CLAUSE, when there is a discount or subsidy. -----

-----F. The time period for the LAND TRUST to exercise its **pre-emptive** right will be of sixty (60) days and will begin running on the date in which it **learns** of the sale. -----

-----G. The LAND TRUST reserves the right to impose penalties in addition to that which

is provided in this EIGHTH CLAUSE OF FIRST REFUSAL AND PRE-EMPTION in case its requirements are not fulfilled. -----

-----H. The LAND TRUST will not exercise the right of first refusal when a forced heir of the deceased owner, in accordance with the Civil Code of Puerto Rico, acquires the edification. Nevertheless, said heir will be bound by this EIGHTH CLAUSE OF FIRST REFUSAL AND PRE-EMPTION if he were to subsequently place the Edification on sale. ----

-----I. In any case in which the LAND TRUST does not exercise the rights of first refusal or of pre-emption, it will recognize, through public deed, the **surface** right of the new acquirer of the edification, when it applies, following the payment of the corresponding fee, according to the regulations adopted for these purposes. This, considering that the Surface Right which is granted gratuitously through this deed is based on the legal presumption that the person who is here the **SUPERFICIARY** was the owner of the housing structure here described on the date in which by legal provision the lands were transferred to the LAND TRUST and said structure is his sole and regular residence. In case of sale of the structure described here to a third party, these conditions will not be present, and therefore it will be necessary to re-evaluate the conditions under which the surface right will be granted to said acquirer so it is in accordance with Act 489-2004, as amended by Act 104-2013, regarding the **task** of the LAND TRUST of keeping under its control the ownership and the administration of the lands. -----

---**EIGHTH**: The LAND TRUST will have the right to preferentially acquire the edifications that exist in the Property in case said edification were the object of a mortgage foreclosure. In such case, if the economic means exist, the LAND TRUST, in conjunction with the mortgage institution, will make the arrangements so that the expired deadlines and the expenses related to the process, if any, are met, and if it were necessary, it will assume responsibility for the mortgage, in accordance with the terms and conditions agreed to with the mortgage institution. -----

---**NINTH**: To ensure the right provided in the previous CLAUSE, in all deeds of constitution of mortgage that affect edifications located in lands belonging to the LAND TRUST, the LAND TRUST will appear as owner of the land and will require that a clause

be included which recognizes this right **AND THE PROPERTY REGISTRAR WILL NOT REGISTER ANY MORTGAGE IN WHICH THE LAND TRUST DOES NOT APPEAR TO GIVE ITS CONSENT.** Said clause will also provide that the mortgage creditor will simultaneously notify the mortgage debtor and the LAND TRUST of any lack of compliance regarding the payment of the mortgage debt or of another condition which precipitates the expiration of the debt. All notifications regarding lack of compliance with payment of the mortgage debt or the precipitation of the expiration of the mortgage debt will be made in writing, and will be considered properly performed when it is delivered personally to the executive director of the LAND TRUST or a representative named by her or sent by certified mail to the attention of the executive director of the LAND TRUST to the following address: -----

-----ATT: Executive Director-----
-----Martín Peña Channel Land Trust-----
-----PMB 1838-----
-----# 243 París Street-----
-----San Juan, Puerto Rico 00917-3262-----

---**TENTH:** In case **the SUPERFICIARY decides to rent, burden,** or dispose of the surface right acquired in the present instrument, he assumes the obligation of notifying the LAND TRUST of this. All notifications regarding the decision to rent, burden, or dispose of the surface right will be made in writing, and will be considered properly performed when it is delivered personally to the executive director of the LAND TRUST or a representative named by her or sent by certified mail to the attention of the executive director of the LAND TRUST to the following address: -----

-----ATT: Executive Director-----
-----Martín Peña Channel Land Trust-----
-----PMB 1838-----
-----# 243 París Street-----
-----San Juan, Puerto Rico 00917-3262-----

---**ELEVENTH:** The LAND TRUST will assume the expenses, if any, stemming from taxes on

the Property and the SUPERFICIARY will cover the expenses, if any, stemming from taxes on the Edification. -----

--- **TWELFTH:** The SUPERFICIARY understands and recognizes that the surface right bestows on him the authority to use the land as well as the obligation of conserving it as specified in this instrument. The LAND TRUST will have the right to look after its Property; nevertheless, the duty of vigilance and general control of the people or entities that have access to it will be mainly of the SUPERFICIARY. Therefore, the SUPERFICIARY expressly exonerates, liberates and releases the LAND TRUST, its Board of Trustees, its constituents, members, and employed personnel or contractors of all responsibility or civil action for damages suffered in the real estate property object of this surface right by natural or legal persons and their guests, be it personal damages or property damages. -----

---**THIRTEENTH:** The surface right would cease to exist due to one of the following causes: (i) expropriation or acquisition by a public agency, to give way to a project contained in the Integrated Development Plan of the Special Planning District of the Martín Peña Channel; (ii) acquisition of the edification or structure by the LAND TRUST; (iii) relinquishment of the surface right by the SUPERFICIARY; (iv) lack of compliance with the terms or conditions established in this deed, (v) or any other cause established by law or regulation. -----

----- **“Homestead Right and Family Home Protection Act”** -----

Act Number 195 of the Thirteenth (13th) of September of Two Thousand Eleven (2011)

---**FOURTEENTH:** The Authorizing Notary, in compliance with the provisions of Act Number One Hundred Ninety-Five (195), known as the “Homestead Right and Family Home Protection Act” of the thirteenth (13th) of September of two thousand eleven (2011), informs the SUPERFICIARY of her duty to expressly state her decision to establish and fix her secure home in the real estate property described in the STATE SIXTH of this deed and that she has not designated as such any other property in or outside of Puerto Rico. The SUPERFICIARY is warned that any person who attempts to register, or succeeds in registering, in the Property Register secure family home protection over more than

one estate of his property or attempts to, or succeeds in, registering in favor of someone else secure home protection to which said person does not have a right, engages in a fourth degree felony crime, and in cases where the person is found guilty of such crime, this person will not have the right of secure home over any of the properties object of his illegal action. The SUPERFICIARY expressly ratifies said decision and requests of the Honorable Property Registrar that he **acknowledge** it in the **body** of the inscription. -----

-----**Special Warning Regarding the Homestead Right**-----
-----**and Family Home Protection Act**-----

---**FIFTEENTH:** The Authorizing Notary, in compliance with the provisions of Act Number One Hundred Ninety-Five (195), known as the “Homestead Right and Family Home Protection Act” of the thirteenth (13th) of September of the year two thousand eleven (2011), informs the SUPERFICIARY of her duty to expressly state her decision to establish and fix her **secure** home in the real estate property described in the STATE SIXTH of this deed and that she has not designated as such any other property in or outside of Puerto Rico. The SUPERFICIARY is warned that any person who attempts or succeeds in registering in the Property Register the **secure family home protection** over more than one estate of his property or attempts or succeeds in registering in favor of someone else secure home protection to which said person does not have a right, engages in a fourth degree felony crime, and in cases where the person is found guilty of such crime, this person will not have the right of secure home over any of the properties object of his illegal action. The SUPERFICIARY, expressly ratifies said decision and requests of the Honorable Property Registrar that he acknowledge it in the body of the inscription.-----

---The parties state and acknowledge that the authorizing Notary explained to them the extent and benefits and gave all the warnings concerning the Act which were previously mentioned. -----

-----**Request for Inscription**-----

---**SIXTEENTH:** The LAND TRUST and the **SUPERFICIARY** request of the Honorable Registrar that she: -----

- A. Takes knowledge of the Edification and register it as an independent estate. -----
- B. Registers the surface right here constituted over the Property, in accordance with what is provided in Title XI B Surface Right of the Real Estate Property Registry Act of the Commonwealth of Puerto Rico (Act No. 210 of the 8th of December of 2015). -----
- C. Registers the transfer that the LAND TRUST makes in favor of the **SUPERFICIARY** of the surface right constituted in the present instrument. -----
- D. Registers the conditions stated in the EIGHTH CLAUSE, which refer to the rights of first refusal and pre-emption of the LAND TRUST. -----
- E. Registers the ways and manners in which the notifications to the LAND TRUST will be made and considered as proper, as stated in Subsection A of the EIGHTH CLAUSE regarding the Rights of First Refusal and Pre-emption, in the TENTH CLAUSE regarding lack of compliance with payment of the mortgage debt or the precipitation of the expiration of the mortgage debt, and regarding the fact that no mortgage will be registered in which the LAND TRUST has not appeared to grant its consent and in the ELEVENTH CLAUSE regarding the decision of the **SUPERFICIARY** to rent, burden, or dispose of the surface right here constituted.-----
- F. It is requested that the right to secure family home be entered on the margin, free of any fees in accordance with Act One Hundred Ninety-Five (195) of the thirteenth (13th) of September of two thousand eleven (2011), as amended. -----

-----**WARNINGS**-----

- In compliance with what is stated in Law, I, **the** Notary, gave the grantors the legal warnings relevant to the execution of this deed, in particular the following: -----
- A. The appearing parties must submit this deed to the Second Section of the Property Register of San Juan, for the registration of the edification and of the ceded surface right. -----
- B. **The SUPERFICIARY** may not alter or demolish the erected structure without the express written consent of the LAND TRUST. -----
- C. The real rights which affect the property rights over the land and the surface right will continue to encumber them separately, even if ownership and surface right are held

by the same person. -----

-----D. **The SUPERFICIARY** assumes the obligation of making ordinary and extraordinary repairs on the Edification, of diligently caring for the land object of the surface right and of notifying the LAND TRUST when it is necessary to address any situation related with the land. -----

-----E. The Property and the Edification must be registered in the Municipal Income Recollection Center (C.R.I.M.) to the names of the respective holders of the rights. In particular, the appearing parties were informed of the necessity and convenience of obtaining, prior to the **authorization** of the legal transactions, the corresponding tributary debt certifications from said agency. -----

-----F. **The Superficiary** understands that the value of one dollar (\$1.00) per square meter here assigned to the surface right is one given solely for the purpose of the execution of this deed and in order to comply with the term provided in Article 22 of Act 489-2004, as amended by Act 104-2013; and that the LAND TRUST has determined in its Resolution two thousand fourteen dash zero zero six (2014-006), approved on the sixteenth (16th) of September of two thousand fourteen (2014), that the value of the surface right will be computed based on twenty-five percent (25%) of the market value of the lot or space occupied by the structure. -----

-----G. The duties of the parties, the financial consequences of the legal transactions executed in this deed, the nature and the **extent** of the real right to surface (the right to have or maintain, temporarily or indefinitely, in land or real estate owned by another person, an edification in separate ownership, obtained through the exercise of the right to build or through an act of acquisition of the pre-existing edification) and that of the word eviction (obligation which corresponds to the transferor of a thing when the acquirer is **deprived** or **disturbed totally** or partially and to respond for the latent defects of the thing). -----

-----H. That if the properties object of these legal transactions are located in a floodable area, any present and future titleholder or occupant will be obligated by law to observe and comply with the Regulation for Flood Susceptible Zones, under notice of the

sanctions for not complying with Section Three (3) of Act 11 from the 8th of March of 1988 concerning Floodable Zones (23 L.P.R.A. 225g). -----

-----I. That if the housing structures standing in the plots object of the legal transactions were built before nineteen seventy-eight (1978), the Federal Residential Lead-Based Paint Hazard Reduction Act, 42 U.S.C. Section 4851 et seq. is applicable. This act and its regulation charge the transferors and their agent or real estate broker, if there is one, before the acquirer becomes bound by a contract, with the obligation of disclosing their knowledge regarding the presence of lead-based paint or of any known hazard in the property related to lead-based paint; to provide any report or evaluation regarding lead available to them; to provide time for the acquiring party to inspect the property to determine the existence or non-existence of lead paint or waive this right; to provide an informative booklet prepared by the Environmental Protection Agency. The parties must sign a document in which they confirm fulfillment of the requirements of the cited federal act. -----

-----J. The obligation of the SUPERFICIARY of properly notifying the LAND TRUST of any decision to constitute a mortgage or dispose of the Edification, or to rent, encumber, or dispose of the surface right constituted in this instrument. -----

-----**READING AND ACCEPTANCE**-----

---I, the Notary, have read this DEED OF RECORD OF EDIFICATION, CONSTITUTION OF SURFACE RIGHT, AND RIGHTS OF FIRST REFUSAL AND PRE-EMPTION aloud to the grantors, and each one of the grantors has likewise read it a second time, and all the grantors have stated that they have clearly understood its provisions and that they agree that it manifests their will and that they confirm that they are in agreement with all of its content, to which I, the Notary, ATTEST.-----

-----**EXECUTION**-----

---The grantors accept the content of this deed in the manner it has been written, finding it to be in accordance with their will, and they ratify their agreement with it, print their initials on the left side margin of each page and sign along with me, the Notary, at the end of this deed. -----

---To everything recorded in this deed, which is exempt from the payment of notarial and registration fees by virtue of Article 22(c) of Act Number 489 of the twenty-fourth (24th) of September of two thousand four (2004), as amended by Act Number 104 of the fourteenth (14th) of August of two thousand thirteen (2013), to having performed all the legal formalities and fulfilled all the solemnities of the legal acts here contained, I, the Notary, who signs, initials, marks, and seals, in San Juan, Puerto Rico, ATTEST.-----