

**MASTER DEED WITH
DECLARATION OF RESTRICTIONS
OF
LANCASTER NEW CITY
(formerly known as Lancaster Estates)**

KNOW ALL MEN BY THESE PRESENTS:

This Master Deed with Declaration of Restrictions (hereinafter referred to as the "Master Deed", whether the reference is to the enabling deed or the declaration of restrictions or both) executed in Mandaluyong City, Metro Manila, Philippines. by -

PROPERTY COMPANY OF FRIENDS, INC., a corporation duly organized and existing under the laws of the Republic of the Philippines with principal office at the Pro-Friends Center, 55 Tinio Street, Barangay Addition Hills, Mandaluyong City, Metro Manila, herein represented by its Strategic Business Unit Head, EPIFANIO N. SANTILLAN, JR., and its Vice President - Estates and * Asset Management Group, **TERENCE R. CRISOSTOMO**. and hereinafter referred to as the "DECLARANT":

WITNESSETH THAT:

WHEREAS. the DECLARANT is the absolute and registered owner of certain parcels of land situated in Kawit, Imus and Gen. Trias Cavite containing an aggregate area of One Million Four Hundred Sixty Two Thousand Thirty Eight (1.462,038), Square Meters, more or less, and which are more particularly identified, described and covered by Transfer Certificates of Title of the Registry of Deeds for Province of Cavite, the complete listing of which, including Block No. Lot No. and Area, is hereto attached as Annex "A" and made an integral part hereof;

WHEREAS, the DECLARANT desires to submit the said parcels of land and the improvements to be constructed thereon, which would consist of residential housing units of varying sizes and models, roadways and other facilities and amenities, to a residential subdivision form of ownership and use, subject to the provisions of Batas Pambansa Bilang 220 and Presidential Decree No. 957, as amended, this Master Deed, and other pertinent laws and regulations;

WHEREAS, the DECLARANT hereby imposes on the Subdivision Project (hereinafter referred to as the "Project") certain mutually beneficial restrictions, which shall constitute a lien upon the land, upon each unit therein (hereinafter referred to as "Unit") and upon the Project as a whole, and which shall inure to and bind all parties and their successors-in-interests owning or holding any Unit or any right or interest therein or in the Project, pursuant to the provisions of Batas Pambansa Bilang 220 and Presidential Decree No. 957 as amended:

WHEREAS, the DECLARANT considers environmental preservation and ecology protection, thus, in pursuing the development of the Project, additional restrictions may be expressed declared and imposed to enhance and protect the natural environment in the area; WHEREAS. the DECLARANT desires, under certain guidelines and provisions set forth herein, that a non stock, non-profit association will be formed and organized to handle, manage and supervise the operation of the association and to require and enforce strict observance of the restrictions on the use of the property, its occupancy and enjoyment, and for such other purposes that will promote the best interest and goodwill of the association and the entire membership

NOW, THEREFORE, for and in consideration of the foregoing premises, the

DECLARANT hereby submits the abovementioned parcels of land and the improvements to be constructed thereon to a residential subdivision form of ownership and use, subject to the provisions of Batas Pambansa Bilang 220 and Presidential Decree No. 957. as amended, and to the conditions, covenants, terms, declarations and restrictions herein below set forth, and other pertinent laws and regulations.

PART I THE MASTER DEED

Section 1. ***The Project.*** The Subdivision Project to be established shall be known as the "Lancaster New City" (formerly known as "Lancaster Estates"). It shall consist of all the individual and separate lots and the residential houses to be constructed thereon, the roads, in-roads, paths, walkways, perimeter walls and fences, and any and all structures and other improvements introduced thereon by the DECLARANT, including all facilities and amenities. The Project shall be subject to the provisions of Batas Pambansa Bilang 220 and Presidential Decree No. 957, as amended, this Master Deed, and other pertinent laws and regulations.

Section 2. ***Reservation of Right to Expand Project and to Amend, Alter and/or Revise Development Plans.*** The DECLARANT reserves the right to do expansion works on the Project by developing, simultaneously or in any other manner as it may deem fit, additional Phase or Phases thereof on any and all lands bordering, adjacent or contiguous to, or within or near the vicinity of the Project, pursuant to and in accordance with pertinent laws and other government rules and regulations. In the event of any such development and expansion by adding Phase or Phases to the Project, the lands and all residential housing units to be constructed thereon, including the roads, in-roads, paths, walkways, perimeter walls and fences, and any and all structures, facilities, amenities and other improvements shall, for all intents and purposes, be deemed to form part of the Project and shall be governed by the same restrictions as herein provided. The DECLARANT further reserves the right to amend, alter and/or revise at any time the development plans of the Project by filing such additional, supplemental and/or revised plans and/or specifications as may be required to describe adequately the completion of improvements, together with the changes therein, if any. Such completion may be shown by a certificate of an architect or engineer certifying that the improvements have been constructed substantially as herein represented, or designating any change made. Such plans, specifications or certificates, when signed and acknowledged by the DECLARANT and registered, shall constitute an amendment to this Master Deed. The right referred to herein is plenary and unassailable.

Section 3. ***Definition of Terms.*** As used herein, the following terms shall have the respective meanings:

- a) **UNIT** - Shall refer to the individual residential structure and inclusive of the total area of the lot as titled, or to be titled, in the name of the purchaser.
- b) **PHASES** - Shall refer to the expansion works on the Project by the DECLARANT by fully developing, as part of the Project, any and all lands bordering, adjacent or contiguous to, or within or near the vicinity of the Project pursuant to and in accordance with this Master Deed, pertinent laws and other government rules and regulations.
- c) **DECLARANT** - Shall refer to Property Company of Friends, Inc., the absolute and registered owner of the parcels of land to be developed into a Subdivision Project.
- d) **MASTER DEED** - Shall refer to this Master Deed with Declaration of Restrictions. This Master Deed, the Articles of Incorporation, the By-Laws, the Rules and Regulations, and the Resolutions of the Board of Directors are referred to as "association documents"

- e) **DECLARATION OF RESTRICTIONS** - Shall collectively refer to the provisions of Part II hereof forming an integral part of this Master Deed with Declaration of Restrictions,
- f) **ASSOCIATION** - Shall refer to the Lancaster Estates Homeowners Association, Inc., a non-stock, non-profit association to be formed and organized by the DECLARANT and incorporated by its nominees to handle, manage and supervise the operations of the Project and to require and enforce strict observance of the restrictions on the use of the property, its occupancy and enjoyment, and for such other purposes that will promote the best interest and goodwill of the Association and the entire membership, subject to certain guidelines and provisions as provided herein.
- g) **ARTICLES AND BY-LAWS** - Shall refer to the Articles of Incorporation and By-Laws of the Association, as may be amended from time to time in accordance with law.
- h) **MEMBER** - Shall refer to a homeowner or purchaser of a Unit whether a person or an entity, holding a Transfer Certificate of Title in his/its name or a valid Contract to Sell or other transfer document in his/its favor, has taken possession of the Unit as defined in the Contract to Sell, and has participatory and proportionate right and interest in the common areas in the Project. When the word "owner" or "Unit owner" is used herein, it shall refer to the member. An assignee, successor-in-interest, mortgagee of a foreclosed title and any other person or entity having interest in the Unit becomes a member only when the title to the Unit has been transferred to and registered in his/its name or he/it possesses a valid transfer document in his/its favor. The occupant of the Unit, irrespective of the nature of occupancy, shall be answerable jointly and severally with the member for the proportionate share of the Unit in the association dues. For purposes of representation in the Association as provided herein, the DECLARANT shall be deemed a member for as long as there are sold lots or Units, but not yet turned over to the purchaser, or unsold lots or Units in the Project and its additional Phase or Phases, if any, The DECLARANT may designate its nominees for each of the unsold lots or Units individually and/or collectively, to be its official representatives in the Association.
- i) **ASSOCIATION RULES AND REGULATIONS** - Shall refer collectively to the rules and regulations, including construction and association guidelines expressed by the DECLARANT and subsequently by the Association, which may add and improve the provisions thereof whenever necessary, provided, however, that the same shall not be inconsistent herewith. The resolutions of the Board of Directors shall form part of the rules and regulations.
- j) **ASSOCIATION DUES** - Shall refer to the assessments levied on the members as provided herein for the proportionate share of the Unit or Units owned by them in the common expenses and other expenses incurred and paid in the course of the operations of the Project and in those expenses for the common benefit of the general membership as duly authorized by the Board of Directors. It may also refer to the proportionate share and contribution of the members to the reserve, operational or common fund: assessment for replenishment of sums disbursed from the operational or common fund, or assessment for the advance payment of the estimated budget or appropriation needed for the operation of the Project for a certain number of months or period of time. No association dues as set forth herein shall be levied on any sold lots or Units, but not yet turned over to the purchaser, or unsold lots or Units in the Project and its additional Phase or Phases, if any.
- k) **EXPENSES** - Shall refer to all common expenses including but not limited to, costs and expenses for contractual services for security sanitation, janitorial services, grounds maintenance and upkeep general administrative, technical and/or consultancy services, and such other special services contracted by the DECLARANT or the Association as the

case may be for the operation of the Project. Expenses shall also include charges, deposits, penalties and other amounts to pay the utilities and other public service companies supplying service to the Project as a whole, and amounts spent for the management, operation, repair, improvement, replacement, restoration or alteration for beautification and enhancement of the grounds or any part of the common areas or facilities. Real property taxes or assessments on the common areas are part of the expenses.

- l) **COMMON AREAS** - Shall refer to the road lots, pathways, road ways, except the individually and separately titled units; the structures, facilities, amenities and improvements constructed thereon and located within the property perimeters and its expansion, if any; and the facilities, conveniences and utilities within the introduced structures or as may thereafter be introduced generally intended for use, avilment and enjoyment of the members of the Association.

Section 4. **Interpretations.** The provisions in this Master Deed with Declaration of Restrictions shall be read and construed in accordance with the following interpretation rules.

- a) Ownership of a lot and the Unit is evidenced by a valid Transfer Certificate of Title registered in the name of the owner. Membership in the association is appurtenance of ownership, thus the transfer of ownership carries the transfer of membership.
- b) The purchaser of a Unit the title of which is yet to be registered in his/its name, a mortgagee holding a foreclosed title, and any assignee successor-in-interest and any other person or entity having interest in the Unit with a valid transfer document in his/its favor shall be considered a "*de facto member*" for purposes of this Master Deed and shall have proportionate and participatory rights and interests in the common areas in the Project and in the responsibility and obligation to pay the proportionate share of the Unit in the association dues. Once the title to the Unit is transferred and registered, or the foreclosed title consolidated the purchaser, mortgagee, assignee or successor-in-interest shall be considered a "*de jure member*."
- c) The Unit owner acquires title to the lot and the improvements owned, and all the proportionate and participatory rights and interests in the common areas in the Project. The exercise of the rights of ownership and the Unit's occupancy and enjoyment shall be subject to the provisions of Batas Pambansa Bilang 220 and Presidential Decree No. 957 as amended, the association documents, and such other laws and ordinances applicable now or in the future as shall relate to the operation of residential subdivisions in the Philippines. In case of conflict between any applicable law and the provisions of this Master Deed, the former shall prevail.
- d) The purchase or acquisition of a Unit shall constitute full acceptance to be bound by the provisions and restrictions contained in this Master Deed, the Rules and Regulations adopted or as may be amended from time to time by the DECLARANT and subsequently by the Association, and other association documents. The governing rules, conditions and restrictions that run with ownership shall be binding upon any person or entity acquiring subsequent rights interests or ownership to the Unit as though the same were made known and fully stipulated when the Unit was transferred, assigned or conveyed to the transferee or assignee. The owner of the Unit undertakes and shall be responsible for apprising the transferee or assignee of this condition.
- e) Any and all annexes referred to herein are considered integral parts of this Master Deed and subject to adjustments, amendments or improvements. The plans and specifications of the Project are understood to be a concept and shall not be considered as the as-built

drawings. The DECLARANT has the option either to adhere to the plans and specifications or to introduce alteration, amendment or improvement thereon as it may deem necessary or expedient in accordance with existing laws and government rules and regulations.

- f) The titles of the provisions of this Master Deed are used for reference and convenience only and are not delimiting or affecting the interpretation of the provisions under such title.
- g) The word "person" or "persons" as it relates to owners shall include individuals and legal entities such as corporations, partnerships, agencies and joint venture.
- h) In case of conflict between the provisions of this Master Deed and the Articles of Incorporation and By-Laws of the Association, this Master Deed shall prevail.
- i) In case of conflict in the interpretation of the provisions of this Master Deed, strict interpretation shall prevail over liberal interpretation.

Section 5. **Special Power of Attorney**, in the course of the development of the Project, or any expansion thereof as herein provided, the DECLARANT is hereby appointed, designated and empowered by the Association and the Unit/owners purchasers as their Attorney-in-Fact with full power and authority to introduce amendments to this Master Deed and to effectively carry out alterations, amendments or improvements in the plans and specifications, including alterations, amendments or improvements in Project expansions without need of a separate instrument or document from the Association and/or its members. This notwithstanding, the Association shall, in proper instances and when so required, issue in favor of the DECLARANT any and all documents and papers requisite, necessary and proper to carry out the purposes stated herein.

Section 6. **Use of Units**. Each and all of the Units shall be used exclusively for residential purposes only as the plans indicate and shall not be converted into access road or any other use. Each and all of the Units shall be subject to such restrictions and limitations as may be provided in the Declaration of Restrictions set forth herein and to such rules and regulations which the DECLARANT and the Association may hereafter validly promulgate.

Section 7. **The Common Areas**. The common areas of the Project (hereinafter referred to as "Common Areas") shall comprise of all the parts of the Project and its additional Phase or Phases, if any, other than the Units, including, but not limited to the following:

- a. All road lots, pathways, road ways, excepting the individually and separately titled units
- b. All structures, amenities and improvements such as multi-purpose area, parks, playgrounds, open spaces and all other recreational areas, equipment and accessories
- c. All other parts of the Project including the perimeter fence and all facilities, apparatus, equipment, installations and areas therein which are for common use or necessary or convenient to the existence, maintenance or safety of the Project and
- d. Such other similar or like areas as shall be declared subsequently by the Board of Directors of the Association, with the approval of the majority of the members, to be of common use or are necessary and convenient to the utilization, existence or maintenance of the above-identified common areas.

The DECLARANT or the Association, as the case may be, may enter into an agreement with other subdivisions with regard to the use of common facilities and access to roads that

will be beneficial to all parties involved. Such an agreement will be subject to the rules and regulations, which the DECLARANT or the Association and the other party will agree upon.

Section 8. ***Use of Common Areas by Other Phases of the Project.*** In cases of expansion works by the DECLARANT by developing any and all lands bordering, adjacent or contiguous to, or within or near the vicinity of the Project as additional Phase or Phases of the Project in accordance with Section 2, Part I hereof, the Common Areas as herein provided shall at all times be available for the use and enjoyment of the unit owners in the said developed Phase or Phases of the Project. As part of the Project similarly governed by this Master Deed with Declaration of Restrictions, no additional fees and assessments shall be charged to the unit owners in the said developed Phase or Phases of the Project for the use of the Common Areas, except as those similarly charged to all members of the Association. The DECLARANT reserves the right to promulgate such other rules and regulations for the effective implementation of this provision.

Section 9. ***Nature and Extent of Interest and obligations of Unit Owners and Purchasers.***

- a. The purchaser of a Unit in the Project shall acquire title to or ownership over such Unit, subject to the terms and conditions of the instrument conveying the Unit from the DECLARANT to such purchaser and to the terms and conditions of any subsequent conveyance under which the purchaser takes title to the Unit, and subject further to this Master Deed. Before a Unit is acquired by others, the same shall pertain to and be owned exclusively by the DECLARANT, subject to the terms of this Master Deed.
- b. The purchaser or owner of a Unit shall acquire the non-exclusive right to utilize the Common Areas indirectly through his occupation thereof, subject to such restrictions and limitations as provided for in this Master Deed, the Articles of Incorporation and By-Laws of the Association, and the Rules and Regulations validly promulgated in accordance herewith.
- c. A purchaser or owner of a Unit shall be subject to the supervision and control of the Association and shall forthwith be governed by its Articles of Incorporation and By-Laws, including the Rules and Regulations promulgated in accordance herewith in the exercise of his/its rights and interests in the Unit purchased or owned.
- d. Each purchaser or Unit owner, as a member of the Association, shall share in the common expenses of the Project and shall be assessed therefor pro-rata. In determining the proportionate share of each purchaser or Unit owner in the common expenses, the total common expenses shall be divided among all the Unit buyers or owners in such equitable manner and per policy as may be defined by the DECLARANT. The same formula may also be used in determining the special assessments to be participated in and shared by the members as herein provided.

Section 10. ***Homeowners Association and Management.***

- a. The DECLARANT, through its nominees, shall initially form, organize and incorporate the Lancaster Estates Homeowners Association, Inc., a non-stock, non-profit association organized in accordance with and for purposes as herein provided. The nominees of the DECLARANT shall in the interim serve as the members of the Board of Directors. There shall be no other association or similar organization to be formed by the members of the Association,
- b. The Association shall be responsible for, among others, administering and maintaining the Common Areas, enforcing the provisions and restrictions contained in this Master

Deed, levying and collecting association dues from members, and promulgating additional rules and regulations as may be necessary for the benefit of the Project and the general membership. This shall be without prejudice to the appointment by the DECLARANT of a Project Manager as provided in Section 8. Part II hereof.

- c. All the properties, businesses and affairs of the Association shall be managed and administered by the Board of Directors in accordance and consistent with this Master Deed. The Board of Directors powers, functions and duties shall be specified in and governed by the Association's Articles of Incorporation and By-Laws.
- d. The purchaser shall automatically become a member of the Association for which he/it shall pay membership fees and association dues as herein provided. Subject to this Master Deed, the Articles of Incorporation and By-Laws of the Association and other pertinent laws and regulations each member shall have one (1) vote for each and every distinct Unit owned in the Project.
- e. The membership being an appurtenance or incidence of ownership, the same is not transferable, unless ownership of the Unit or the right thereto is also transferred. A transfer of ownership or the right thereto automatically transfers membership in the Association, either as "*de facto member*" or "*de jure member*, including the proportionate and participatory rights and interests in the Common Areas in the Project and in the responsibility and obligation to pay the proportionate share of the Unit in the assessments and association dues
- f. In order to promote, enhance and foster good rapport and relationship with the neighboring subdivisions, and to develop, facilitate and improve the quality of life of its members through mutual cooperation and reciprocity, the Association shall endeavor to actively pursue, participate and get involved in an organized Federation composed of homeowners associations of different subdivisions within the neighboring area. The DECLARANT or the Association, as the case maybe shall, with the end in view of achieving harmonious and collectively beneficial relationship with neighboring subdivisions promuigate, adopt and issue such policies, rules and regulations, and guidelines for the Association's participation and involvement in the Federation.
- g. The purchaser agrees to be bound by the Articles of Incorporation and By-Laws of the Association and such other reasonable rules and regulations adopted, and thereby agrees to pay dues and other assessments. The purchaser agrees to pay his/its share of the assessments as provided herein and the monthly expenses for the proper operation and maintenance of community facilities, sanitary collection of garbage, security, fire protection, enforcement of restrictive easements, and, in general, for promoting the common benefit of the residents therein.
- h. Unpaid dues and other lawful assessments by the Association for the above purposes shall constitute a lien or encumbrance on the Unit and which may be annotated on the title by the filing of the requisite claim with the appropriate Registry of Deeds such that the DECLARANT or the Association as the case may be is the appointed attorney-in-fact authorized and empowered in accordance with law to effect said lien or encumbrance.
- i. Failure or refusal of the purchaser to pay for monthly association dues, water and/or electrical charges for a period of two (2) months from the date the same shall have accrued shall authorize the DECLARANT or the Association, as the case may be to automatically disconnect, or cause the disconnection of said water and/or electrical facilities without incurring any liability therefor whatsoever.

- j. The nominees designated by the DECLARANT to be its official representatives in the Association in accordance with this Master Deed shall be entitled to vote upon any and all matters concerning the Association, including the right to elect and to be elected as members of the Board of Directors and its officers. The said nominees shall be entitled to vote all the sold lots or Units, but not yet turned over to the purchaser, or unsold lots or Units in the Project and its additional Phase or Phases, if any. This shall be without prejudice to the exercise by the DECLARANT of its rights with respect to purchasers of Units under a deferred or installment payment plan pursuant to Section 18 Part II hereof.

Section 11. **Same Homeowners Association for Project Expansion.** In the event of an expansion of the Project by developing additional Phase or Phases of the Project as provided in Section 2, Part I hereof, any such expansion shall be deemed to form part of this project and shall be governed by this Master Deed with Declaration of Restrictions. Consequently, the purchaser of a housing unit in any such expansion shall likewise automatically become a member of the Association of this project. The said purchaser shall be bound by the Articles of Incorporation and By-Laws of the Association as well as the Rules and Regulations promulgated and adopted by the DECLARANT or the Association, as the case may be, and shall pay the corresponding dues and other lawful assessments as herein provided

Section 12. **DECLARANT's Representation in the Association.** The Board of Directors of the Association shall be composed of at least seven (7) members. The DECLARANT, through its nominees and/or representatives, may be elected to the Board pursuant to and in accordance with this Master Deed, pertinent laws and the rules and regulations of governmental instrumentalities having jurisdiction over such associations. The nominees or representatives of the DECLARANT, if so elected as members of the Board, shall have the same powers and authority as other Unit owners elected as such.

Section 13. **Sale or Alienation of Units.** The Units in the Project may be sold, transferred, assigned or otherwise disposed of subject to the provisions of applicable laws, this Master Deed the Rules and Regulations of the Association, and other association documents. An owner selling, assigning or in any other manner disposing of the ownership of the Unit shall secure from the Association a Certificate which shall contain, among others, the following:

- a. The registered owner of the Unit subject of the sale or transfer,
- b. The name of the prospective buyer/purchaser or transferee:
- c. That the sale or transfer is in accordance with the provisions of this Master Deed and
- d. The account status of the Unit vis-à-vis the Association,

In the event that the sale or transfer has been registered without securing a Certificate and a new title has been issued in the name of the new owner, the following conditions shall apply:

- a. If the sale or transfer violates contractual obligations including this Master Deed, the said fact shall be made known to the Registry of Deeds for appropriate action, unless remedial measures or actions are taken thereon to correct any such breach
- b. If the subject Unit has unpaid accounts with the Association in the form of dues and other assessments, the new owner shall be jointly and severally liable with the previous owner for the full settlement of the same regardless of contrary stipulations in the sale or transfer agreement and

- c. If the title to the Unit is consolidated in the name of the foreclosing mortgagee, any and all unpaid accounts of the foreclosed Unit shall be paid by the new owner even if the same accounts were chargeable to the mortgagor at the time the foreclosure proceedings were instituted.

In accordance with Section 4(d) Part 1 hereof the governing rules conditions and restrictions that run with ownership shall be binding upon any person or entity acquiring subsequent rights, interests or ownership to the Unit as though the same were made known and fully stipulated when the Unit was transferred, conveyed or assigned, and that the owner of the Unit undertakes and shall be responsible for apprising the transferee or assignee of the above conditions.

Section 14. ***Mortgage. Lease and Other Encumbrances.*** A Unit owner shall be free to mortgage, lease or otherwise encumber his/its Unit to any third person or entity. Any such mortgage, lease or other encumbrance shall not free the Unit owner from compliance with his/its obligations under the provisions of this Master Deed, the Articles of Incorporation and By-Laws of the Association, the Rules and Regulations promulgated, and other association documents, including the documents under which he/it acquired the Unit. The Unit owner is obliged to impose upon the mortgagee or lessee to respect and to incorporate in the mortgage or lease agreement, by way of reference or in any other manner the terms conditions and restrictions as specified herein. In case of lease, the Unit owner shall provide the DECLARANT or the Association, as the case may be a photocopy of the said lease, and the Association has the option to proceed with the collection of dues and other assessments against the lessee or the Unit owner.

Section 15 ***Easements.*** Each property in the Project or in any expansion thereof, whether individually owned or forming part of the common property, shall be subject to such reasonable easements and servitudes as may be provided by law or rules and regulations that may be promulgated by the Declarant or Association, including easements in favor of the putting up and maintenance of utilities such as guy wires, cables, conduits, utility lines, water pipes and similar installations. To ensure such spaces, and in a manner not otherwise inconsistent with the approved plans and specifications of the Project or any expansion thereof every lot/Unit is subject to a setback or easement fronting the street and/or from the side and rear portions of the lot. All the Units and the Common Areas in the Project or any expansion thereof shall be subject to the easements as set forth in the Declaration of Restrictions provided herein. Any and all easements pursuant to and in consonance herewith shall not be subject to any form of compensation.

Section 16. ***Perpetual Right of Way.*** The DECLARANT hereby declares, imposes and reserves a right of way from any available portion or area within the perimeter of the Project to serve as an ingress to and egress from any and all lands bordering adjacent or contiguous to, or within or near the vicinity of the Project that may be owned or hereafter acquired by the DECLARANT for expansion purposes subject to the rules and regulations that may be imposed by the DECLARANT or the Association. This right of way is perpetual in nature, enforceable at any time at the sole discretion of the DECLARANT, and shall constitute an easement upon the Project and upon all Unit owners, purchasers or occupants and other persons owning or holding any Unit or any right or interest therein even after the completion of the Project and the full management and control given and transferred to the Association in accordance herewith. As an easement, it shall not be subject to any form of compensation. In case of any such expansion/s, the approval of the Association shall no longer be necessary. If so required by law, ordinance or rules and regulations of governmental agencies and instrumentalities for the Association to approve the development of the expansion/s of the Project, the DECLARANT is hereby appointed, designated and empowered to proceed and effectively carry out the expansion/s, including alterations, amendments or improvements in the plans and specifications thereof. If and when necessary, the Association shall likewise

issue in favor of the DECLARANT any and all other necessary papers and documents for any such expansion works within a reasonable period of time from notice or request by the DECLARANT.

Section 17 **Community Center**. The DECLARANT reserves the right to develop construct and build simultaneously with the Project or its additional Phase or Phases, if any, or in any other manner as it may deem fit, a Community Center on any parcel/s of land bordering, adjacent or contiguous to or within or near the vicinity of the Project and its additional Phases or Phases, if any, pursuant to and in accordance with pertinent laws and other government rules and regulations. The said community facilities which shall be owned by the DECLARANT and separately operated and managed either by the DECLARANT or by an entity engaged by the DECLARANT for that purpose, shall not form part of the Project and under such policies, rules and regulations as may be defined by the DECLARANT.

PART II DECLARATION OF RESTRICTIONS

Section 1. **Scope of Coverage**. This Declaration of Restrictions shall embody such restrictions, limitations, easements, covenants undertakings and other conditions as may be required or permitted by Batas Pambansa Bilang 220 and Presidential Decree No. 957, as amended, or the Master Deed herein provided. Subject to the exceptions expressly set forth herein, said restrictions, limitations, easements, covenants, undertakings and conditions shall be deemed to run with the land, the housing Units and all the improvements making up the Project; shall constitute a lien upon the Project and each Unit; and shall inure to the benefit of and be binding upon all Unit owners, purchasers or occupants and other persons owning or holding any Unit or any right or interest therein or in the Project, pursuant to the provisions of Batas Pambansa Bilang 220 and Presidential Decree No. 957, as amended, and other pertinent laws.

Section 2. **Control of Architectural and Engineering Plans**. The DECLARANT hereby declares that the Subdivision and site development plan of the Project, as originally executed or as amended, shall be protected and preserved at all times. Notwithstanding the turnover of the Project to the Association in accordance herewith, the purchasers or Unit owners shall not be allowed to introduce any structure outside the perimeters of the Unit area. Except as herein provided and in appropriate cases, no addition to the exterior portion of the Unit contrary to what is specifically provided in the building plans and specifications shall be allowed and, irrespective of the model, type or style of the structure constructed, the surroundings or grounds within the metes and bounds of the lot owned by any of the members shall be maintained as originally conceptualized and in accordance with the building plans and specifications for each unit. The fencing of the property to segregate it from the neighboring property and the planting of trees, shrubs vines and similar plants shall be subject to the restrictions imposed by the DECLARANT on the use and availment of the property guided by the objective to protect and enhance the surroundings of the entire Project Maintenance and upkeep of the exterior and interior parts of the Units shall be observed at all times.

Section 3. **Use and Management of Units**

- a) The purchaser of a Unit certifies that he/it has inspected the Unit and the premises to his/its full satisfaction and buys the Unit as is, and that the same shall be for his/its use occupancy and benefit for residential purposes only.
- b) No work animals such as cows, pigs, goats, sheep or fowls shall be kept and/or raised in the Unit and in any portion of the Common Areas. Household pets are allowed provided that such pets do not cause any nuisance to the neighborhood.

- c) Only one (1) housing Unit shall be constructed on a single lot. The purchaser or owner of a Unit shall not be allowed to subdivide or partition the lot. However, two (2) lots may be consolidated into one (1). subject to the written conformity of the DECLARANT and other proper government agency, and duly registered with the Registry of Deeds.
- d) The carport or car garage provided for a housing Unit shall be maintained at all times for its original purpose and shall not be converted to any other use. The carport or car garage shall not be used as an extension of the living room or any other room of the Unit.
- e) Notwithstanding the transfer of title to the Unit in the name of the purchaser or the owner of the Unit, it may not be converted for any other use or purpose. The Unit may not be devoted to any improper, offensive, unlawful and/or immoral practice, or to other activities prohibited herein. No contraband, effects of crime, explosive or combustible materials shall be kept or maintained in the premises.
- f) The purchaser or Unit owner shall always keep and maintain his/its Unit in good, clean and sanitary condition and repair. The purchaser or Unit owner agrees to keep the lot free from any toxic, harmful, dangerous and other undesirable matters as may be determined by the DECLARANT or the Association, as the case may be.

Section 4. *Maintenance, Repairs, Alterations, installations, improvements, Etc.*

- a. The purchaser or Unit owner shall not make any addition, alteration or modification on the house or introduce any improvement on the lot without the prior written consent of the DECLARANT or the Association, as the case may be, otherwise, the purchaser or Unit owner shall lose any and all rights or claims to any warranty of the DECLARANT. The building plans of the housing units or additional construction to be made on the premises shall be subject to prior written approval of the DECLARANT or the Association, and the purchaser or Unit owner shall at all times adhere to legal and lawful easements of light way and such other requirements. The purchaser or Unit owner shall at all times conform to height restrictions for residential units. The purchaser or Unit owner shall post a cash bond of Twenty Thousand Pesos (P20,000.00). or in such other amount as may be required by the DECLARANT depending on the nature of the works to be made before commencing with such works. Said bond shall be returned to the purchaser or Unit owner upon the completion of the construction, after deducting cost of utilities damage to the common areas and other units, and liability to third parties, if any.
- b. All maintenance, repairs, alterations, installations and improvements on the Unit shall be made by and at the expense of the purchaser or owner of such Unit. Each Unit owner or purchaser shall be responsible for any and all damages to any other Unit or Units and to any portion of the Project resulting from his/its act or negligence, or for his/its failure to effect the required maintenance and repairs of his/its Unit. Each Unit owner or purchaser shall also be obliged to promptly report in writing to the DECLARANT or the Association as the case may be any defect or need for repairs in any of the Common Areas found within the vicinity of his/its Unit.
- c. Except as may be limited or restricted herein or in the By-Laws or in the Rules and Regulations, each Unit owner or purchaser shall have the exclusive right, at his own expense, to paint, repaint, tile, wax, paper or otherwise refinish and decorate the inside or inner surfaces of the walls, ceiling floors, windows and doors bounding his Unit. However, the exterior color scheme of the housing unit shall at all times be maintained based on the as-delivered color scheme.

- d. Subject to item (a) above, each Unit purchaser or owner may make alterations or introduce improvements on the Unit that are specifically allowed and described per policies and guidelines of the DECLARANT and under the rules and regulations of the Association. In case of expansion of Unit, and upon written approval of the DECLARANT or the Association, as the case may be the same must be structurally connected to the housing Unit and must not be a stand-alone structure.
- e. The owner, purchaser, tenant or occupant of a Unit may not undertake any structural repairs, alterations or any other work that may jeopardize the safety of his/its Unit or another Unit, or impair any easement, without the prior written consent and approval of the DECLARANT or the Association, as the case may be, and of the owners of the Units directly affected by such work.
- f. All maintenance, repairs and upkeep of the Common Areas shall be for the account of and undertaken by the DECLARANT or the Association, as the case may be, in accordance herewith and the By-Laws, unless such maintenance and repairs are necessitated by the act or negligence of the Unit owner, tenant or occupant, in which case the expense for the same shall be charged to the said owner or occupant of the Unit.

Section 5. ***Limitations on the Use of Units and Common Areas.*** The Units and the Common Areas in the Project and its additional Phase or Phases, if any, shall be occupied and used, subject to the following limitations:

- a. No Unit may be divided, subdivided or partitioned judicially or extrajudicially, into smaller units with the end in view of selling encumbering or otherwise disposing of any subdivision or portion of a Unit: provided, however, that a Unit owner may lease portions of his Unit, subject to the restrictions herein provided and to such other restrictions and regulations as may be prescribed by the DECLARANT or the Association, as the case may be
- b. No Unit shall be used as a clinic or laboratory or funeral parlor or as a placement agency or as a commercial space without the prior written consent of the DECLARANT or the Association, as the case may be.
- c. The Common Areas intended for the furnishing of services and facilities for the common enjoyment of the members shall be used only for such purposes and shall not be appropriated for the exclusive use or benefit (of any particular Unit or Units. The Common Areas intended for ingress, egress or access to any portion of the Project shall be free from any and all obstructions at all times Nothing shall be stored in the Common Areas (except those intended for common storage) without the prior written consent of the DECLARANT or the Association, as the case may be.
- d. No use or practice shall be permitted within any part of the Project and its Phase or Phases, if any, which may be the source of annoyance to occupants or which may interfere with the peaceful possession and proper use of the property by the owner or occupants.
- e. No rubbish, refuse or garbage shall be allowed to accumulate nor any fire hazard allowed to exist within the Unit or in the Common Areas. No objects such as pots and other substances, which may cause injuries or pose a threat to the other Units or the public, shall be placed in the balconies, planter boxes, windows and/or openings of any Unit.

- f. Nothing shall be done or placed in any Unit or in any part or portion of the Common Areas that would otherwise impair the structural integrity of the Unit or any part or portion of the Common Areas. Any part or portion of the perimeter wall of the Project, or any expansion thereof shall not be torn down or demolished by a purchaser or Unit owner for whatever reason.
- g. No signage, notice, poster, illumination or other advertising medium of any kind and nature shall be displayed to the public view in or from any Unit or in any part or portion of the Common Areas without the prior written consent of the DECLARANT or the Association, as the case may be, and only in specific areas as may be determined, designated or assigned by the DECLARANT or the Association. Any improvement made without any such written consent may be removed by the DECLARANT or the Association without need of notice to and at the expense of the Unit owner.
- h. No ventilator, antenna, air-conditioning device or other equipment, utilities and components which may affect other Units shall be placed or installed in any Unit or in any part of the Common Areas. No Unit owner or lessee shall permit such device to leak condensation, or to make any noise which may unreasonably disturb or interfere with the comforts and convenience of other Unit owners. If the Unit owner or lessee shall fail to keep any such device in good order and repair, the DECLARANT or the Association, as the case may be, may remove such device, charging the costs of removal to the Unit owner or lessee, and the device shall not be replaced until it has been put in proper order and condition and only with written consent of the DECLARANT or the Association
- i. All laws, ordinances and regulations of all governmental bodies and instrumentalities having jurisdiction over the Project and its additional Phase or Phases, if any, shall be observed at all times.
- j. In addition to the easements provided herein, the Units and the Common Areas shall also have, and be subject to the following easements:
 - i. Each Unit shall be subject to an easement in favor of the Project and its additional Phase or Phases, if any, and all other Units to use, maintain, repair, alter and replace the pipes, wires, ducts cables, conduits. public utility lines and other elements serving the Common Areas and/or the other Units.
 - ii. Each Unit shall be subject to the right of entry by the DECLARANT or the Association, through its duly authorized agents or representatives to inspect the Unit, including all pipes, wires, cables, conduits, public utility lines and other facilities located within the lot area of the Unit, and if warranted, to remove violations therefrom. This right of access shall be exercised only during reasonable hours of the day, except in cases of emergency and with as little inconvenience to the occupant of the Unit, and any damage caused thereby shall be restored at the expense of the DECLARANT or the Association, as the case may be.
 - iii. The foregoing easements shall be exercised in the manner which least interferes with the use and enjoyment of the servient Unit.
- k. Each purchaser or Unit owner shall be primarily responsible for complying with and enforcing the foregoing limitations and restrictions within his/its Unit and he/it shall in all cases be considered jointly and solidarily liable with the tenants and occupants of the Unit found violating any of the said limitations and restrictions

- i. Until the DECLARANT has fully completed and sold all the Units in the Project and its additional Phase or Phases, if any neither the Unit owners or occupants nor the Association shall interfere with the development and completion of the contemplated improvements in the Project and its expansion works, if any, and the marketing and sale of the Units therein. In this connection, the DECLARANT has the right to enforce all the provisions contained herein in order to protect its rights and interests in the Project and in the expansion/s thereof The DECLARANT may make such use of the unsold Units and of the Common Areas as may facilitate such completion, marketing and sale including but not limited to the maintenance of a sales office, the showing of the property and the display of signs.
- m. Reasonable rules and regulations not contrary to this Master Deed concerning the use occupancy and enjoyment of the Units and of the Common Areas may be made and amended by the DECLARANT or the Association, as the case may be, in the manner provided in the By-Laws Copies of such rules and regulations, including amendments thereto, shall be furnished by the DECLARANT or the Association to all Unit owners and occupants.

Section 6. **Utilities, Sewage and Drainage.** The purchaser or Unit owner shall secure the necessary permits from the DECLARANT or the Association, as the case may be, and the public instrumentality and/or private company concerned before tapping any utility line. Sewage disposal must be by means of adequate septic tanks or into a sewage system which must be maintained in good sanitary condition at all times. No purchaser or Unit owner shall be allowed to install any drainage line outside his/its property without the prior written approval of the DECLARANT or the Association

Section 7 **Project Rules and Regulations.** The use occupancy and enjoyment of each Unit whether by the owner or the lessee thereof, as well as the Common Areas shall likewise be subject to such uniform rules and regulations as the DECLARANT or the Association may from time to time make issue and promulgate for the convenience of all the Unit owners in the Project and its additional Phase or Phases, if any, and for its sufficient and beneficial management and operation. All Unit owners or lessees are responsible for the compliance with such rules and regulations by the members of their family and of their household help guests and any person or party allowed access to the premises by them.

Section 8. **Project Manager.** The DECLARANT shall appoint an exclusive Project Manager to properly manage, supervise and oversee the overall operations of the Project and its additional Phase or Phases, if any. The Project Manager shall have such duties, functions and responsibilities as may be designated or delegated by the DECLARANT and the Association, including but not limited to the enforcement of the limitations, restrictions and conditions contained in this Master Deed; promulgation of such rules and regulations concerning the use, enjoyment and occupancy of the Units, the Common Areas and the other properties of the Project and its Phase or Phases, if any, in accordance with this instrument and other pertinent laws subject to prior approval of the DECLARANT or the Association, as the case may be, make and collect assessments against the Unit owners as members thereof to defray the costs and expenses of the Association, and secure by any legal means the observance of the provisions of this Master Deed the Articles of Incorporation and By-Laws of the Association and the Rules and Regulations promulgated and adopted by the DECLARANT and/or the Association. The appointment of an exclusive Project Manager by the DECLARANT as provided herein shall be maintained and retained at all times even after the completion of the Project. including its additional Phase or Phases, if any, and the same has been formally turned over to the Association by the DECLARANT After all the Units in the Project and its additional Phase or Phases if any, have been sold and fully paid for by the amortizing buyers, the DECLARANT and the Association may henceforth jointly agree on the appointment of an

exclusive Project Manager.

Section 9. **Assessments.** Considering that the Association is non-stock and non-profit, it shall have no finances to sustain its operations. Thus, there shall be assessments on each Unit owner or purchaser based on and per policy as may be defined by the DECLARANT and in such equitable manner as the DECLARANT, and thereafter the Board of Directors of the Association, may reasonably and necessarily determine, as follows:

- a. **Reserve Fund.** A deposit or an advance payment in an amount equivalent to not less than the total operational expenses of the Association as may be determined by the DECLARANT shall be proportionately shared and collected from all the Unit owners or purchasers based on and per policy as defined by the DECLARANT which shall constitute as the Association's reserve fund. The proportionate amount contributed by each member shall be his/its equitable share in the said fund. Any succeeding member to a ceasing member shall be assessed the same amount unless a different sum is contributed subsequently in accordance with a decided and approved resolution of the Association. The reserve fund, which is allotted for the Association's projects and other activities shall not be disbursed for the day to day operations, unless necessary or when there is shortage in the operational fund. Should the reserve fund be used up partially or otherwise the Association may assess the members their proportionate share to replenish the fund.
- b. **Operational Fund.** A deposit or an advance payment in an amount equivalent to not less than the total operational expenses of the Association as may be determined by the DECLARANT shall be proportionately shared and collected from all the Unit owners or purchasers based on and per policy as defined by the DECLARANT, which shall constitute as the Association's working capital or revolving fund. The proportionate amount contributed by each member shall be his its equitable share in the said fund. Any succeeding member to a ceasing member shall be assessed the same amount, unless a different sum is contributed subsequently in accordance with a decided and approved resolution of the Association. The operational fund shall be used to initially pay for such utilities, services and facilities availed of and shall be replenished regularly thru billings for the operational expenses shared and proportionately participated in by all Unit owners or purchasers.
- c. **Regular Assessments.** An amount equivalent to the expenditures of the Association in any given month in its operations shall be proportionately shared by all Unit owners or purchasers, billed by the Administration Office paid to the Association and considered as regular assessment and replenishment to the amount previously spent and taken from the working capital or revolving fund. The regular assessments of the monthly share of each purchaser or Unit owner shall be based on and per policy as defined by the DECLARANT and in proportion to the cost of expenditures such as for security, janitors, electric and water consumption and maintenance, operation, repair or replacement of the Common Areas, as well as the cost of improvements in addition thereto, administrative expenses and such other similar common expenses for utilities and services availed of.
- d. **Special Assessments.** The DECLARANT or the Board of Directors of the Association, as the case may be may from time to time designate such amount or amounts to be collected from Unit owners as and by way of special assessment. Such special assessment, unless otherwise designated, shall be used for the payment of insurance premiums on insurance taken to cover the Common Areas, government and/or municipal taxes and fees, real estate taxes, or for the beautification, reconstruction or improvement of the Common Areas whenever the fund of the Association or the insurance proceeds are insufficient to meet the expenditures required. The cost of

repairs of the Common Areas damaged by or through the act or negligence of a Unit owner, tenant or occupant and any increase in the insurance premium due to the fault or negligence of a Unit owner shall be for the account of said Unit owner.

- e. **Other Assessments.** Expenses for collection and attorney's fees and any penalty, whether in the form of interest fine or liquidated damages, which the Board of Directors has fixed, adopted and imposed upon a Unit owner or member for violation of any of the rules or regulations of the Association as provided herein shall be considered as an assessment within the contemplation of this Section
- f. **Interest.** Any and all unpaid assessments shall bear interest from due date until fully paid at such rate as the DECLARANT or the Association may fix in any particular instance, compounded annually, subject to the provisions of existing laws.

Section 10. **No Assessment on /Forfeited Units; Voting Rights.** The assessments referred to in Section 9 Part II hereof shall be levied only on all Unit owners or purchasers in accordance with the above. No assessments shall be levied on any sold lots or Units, but not yet turned over to the purchaser, or unsold Unit in the Project and its additional Phase or Phases, if any, or on any Unit the Contract to Sell with the buyer of which has been cancelled and the Unit consequently forfeited in favor of the DECLARANT. However, assessments that have accrued on any such forfeited Unit shall remain to be payable to the Association and shall be subject to the provisions on liens and collection as set forth herein. The unsold Units in the Project and its additional Phase or Phases, if any, may at all times be voted upon on any and all matters concerning the Association, including the election of the members of the Board of Directors and its officers, by the Developer thru its nominees or authorized representatives. Forfeited Units can be voted upon only after the accrued assessments therefor, if any, have been fully settled with the Association.

Section 11. **Assessment as Liens.** Any sum or sums owing the Association from any Unit owner or purchaser shall be considered as a lien upon the said Unit which, together with other incidental increments like interest and penalties imposed, cost of collection and legal fees, shall have priority and preference against all other claims, liens and encumbrances, except those owing the government. Any sum or sums owing the Association from any Unit shall be considered the prime and sole responsibility of the owner or purchaser notwithstanding any agreement, understanding or arrangement the Unit owner or purchaser may have entered into with his/its lessee or tenant and irrespective of the notice made to the Association about any such arrangement. The Association has the option to proceed with the collection of dues and other assessments against the lessee or the Unit owner or purchaser

Section 12. **Remedies to Enforce Collection.** In the event that a member defaults in the payment of any assessment duly levied in accordance with this Master Deed and the By-Laws of the Association, the Board of Directors may enforce collection thereof by any of the remedies provided by law. In the absence of any resolution adopted by the Board to the contrary, the Association shall have the power to enforce collection of any such assessments as well as institute sanctions like the stoppage of services, utilities and water supply to the Unit until such assessments are updated. In addition, if the member's Unit is leased and the default has lasted for more than thirty (30) days, the Association has the right to demand and to receive from the Unit owner's lessee the assessments that have accrued, or the rental fee from such lease up to an amount sufficient to pay the accrued assessments, including interest, if any, and such payment to the Association shall be sufficient discharge of such lessee as between the lessee and the member to the extent of the amount so paid. For this purpose, the Unit owners hereby bind themselves to incorporate a provision to this effect in the lease contract of their Units. Notwithstanding such agreement, however, the failure of the lessee to pay the assessments shall not relieve the member of the liability to pay for the same.

If the Association is compelled to file a lawsuit for the collection of the overdue assessments, delinquent owners shall be liable for expenses of collection and attorney's fees equivalent to at least twenty five (25%) percent of the amount due but in no case less than P20,000.00. or in such other amount as may be subsequently determined by the Board of Directors.

Other measures that may be taken by the Board of Directors, the President, the Project Manager or the Administrator in case of delinquency, default or refusal to pay fines, all of which will render a member delinquent, are the following:

- a) The names of the delinquent members may be posted in conspicuous places within the premises of the Project and its additional Phase or Phases, if any:
- b) Removal of furniture, fixtures, equipment or other items from the affected Units of the delinquent members shall not be allowed until all assessment dues and other liabilities of the delinquent member to the Association shall have been fully satisfied
- c) The Association, through its President, the Project Manager and/or the Administrator, shall have the right to enter into and take physical possession of the Unit of the defaulting member for the use and benefit of the Association for such period of time as may be necessary to liquidate the sum or sums of money owing to the Association, including the leasing of such Unit to interested third party/ies under such rate and terms as may be acceptable to such interested third party/ies and apply the rental payment to liquidate the member's delinquency. Thereafter, the Unit owner shall have the right to take over the lease contract and the proceeds thereof. Any and all income from the lease contract over and above the member's delinquency shall be turned over to the Unit owner concerned and/or held in trust for him and in his behalf by the Association
- d) The Association reserves the right to cut off, or to cause to cut off, electricity, water and other utilities, facilities and other services of the delinquent Unit owners or purchasers.
- e) No services by the Administrative Office, maintenance men and security guards shall be rendered to delinquent members to their lessees and/or transferees.
- f) The Association is authorized to annotate a lien on the Transfer Certificate of Title of the delinquent owner for the amount of delinquency and to sell the property of the delinquent owner at public auction to satisfy the amount of delinquency after due and proper notice has been served in accordance with law and the provisions of the Association and its implementing rules and regulations. In case of foreclosure, the Association shall have the power to bid at the foreclosure sale.

Section 13. **Real Property Taxes and Other Impositions.** Each Unit owner or purchaser shall execute such instruments and take such actions as may be reasonably specified by the DECLARANT or the Association, as the case may be to obtain a separate tax declaration on his/its Unit for purposes of taxation and other impositions on real property Real property taxes on the individual lots and housing units shall be paid by the owners concerned. Considering that the Association shall hold title to the Common Areas in the Project, the tax declarations on the said areas shall be in the name of the Association, and the corresponding real estate taxes and other impositions thereon shall be paid by the Association and the cost thereof shared by all the Unit owners in the Project and its additional Phase or Phases, if any.

Section 14. **Other Taxes, Fees and Expenses.** The creditable withholding tax due on the sale of the Unit shall be for the account of the DECLARANT. The documentary stamp tax, transfer tax, registration fees and other necessary expenses arising from and in connection

with the instrument of sale and the transfer and issuance of the corresponding Transfer Certificate of Title in the name of the Unit buyer shall be for the account of the Unit buyer.

Section 15. **Insurance on the Common Areas.** The Association shall, for its benefit and for the common benefit of all the Unit owners or their mortgagees, if any, or the occupants of the Units as their interest may appear, obtain fire insurance coverage (herein referred to as "Common insurance"), for the full reinstatement value of the Common Areas in the Project and its additional Phase or Phases, if any. Such reinstatement value may, with the conformity of the insurance company, be revised by the Association from year to year, if necessary. The policy or policies shall provide that the proceeds thereof shall be payable to the Association. Upon receipt of the proceeds, the Association shall use or pay the same in the manner provided in Section 16 Part II hereof. The payment of premium on such policy or policies shall be proportionately shared by all Unit owners or purchasers based on and per policy as defined by the DECLARANT. The DECLARANT shall be as it is hereby empowered and designated to act as attorney in-fact of the Association and of the Unit owners to obtain Common Insurance with such insurance company/ies as the DECLARANT may, in its sole discretion, determine. The DECLARANT or the Association, as the case may be shall be entitled to reimbursement from each Unit owner or purchaser for any and all premiums advanced by it on account of such insurance prior to the conveyance of title to or delivery of the Unit to such purchaser.

Section 16. **Insurance Claims.** All proceeds from the Common Insurance claims shall be used for the reconstruction or repair of the Common Areas or the damaged portions thereof. Reconstruction or repair as used in the present context shall mean restoring the Common Areas or portions thereof to the same condition as they existed prior to the loss. If the Common Insurance proceeds are insufficient to pay for all the costs of reconstruction or repair of the Common Areas, a special assessment shall be made against each Unit owner or purchaser to make up for the deficiency. Any further deficiency shall be covered by funds to be raised by the Association in the manner determined at a special meeting of its members duly called for the purpose.

Section 17. **Eminent Domain.** The taking of any Unit or any of the Common Areas or any portion thereof by virtue of the State power of eminent domain shall be deemed a casualty and the award for such taking shall be treated as proceeds from insurance on account of casualty.

Section 18. **Obligations of Buyers of Units under a Deferred or Installment Payment Plan.** The buyer of a Unit in the Project and its additional Phase or Phases, if any, under a cash deferred or installment payment plan, notwithstanding that the title to and/or possession of the Unit has not been transferred to the buyer, shall be liable for all charges and fees for utilities and services assessments for the reserve fund and operational fund of the Association as provided herein and other obligations pertaining to the Unit pursuant to this Master Deed and the By-Laws of the Association upon the execution of the Contract to Sell between the DECLARANT and the buyer. The buyer of a Unit shall be liable for the payment of realty taxes on the housing unit and the monthly regular assessments of the Association upon the completion of the construction of the housing unit and notice of inspection therefor has been served upon the buyer and he/it accepts the same expressly or impliedly, or when the buyer takes actual or constructive possession of the Unit, whichever comes first. In the meantime that the installment payments have not yet been completed and the title has not been transferred to the buyer and the unit was already turned over to the buyer but he has decided not to occupy the unit, the DECLARANT shall act and continue to be the representative of the Unit in any and all matters concerning the Association, including the right to elect and to be elected as members of the Board of Directors and its officers. The buyer remains liable for payment of the HOA dues from the time he has taken possession of the unit as defined in the Contract to Sell.

Section 19. **Rights of Transferees, Assignees, Mortgagees, Tenants and Occupants of Units.** All present and future owners, tenants, and occupants of the Units shall be subject to and shall comply with the following governing rules: (a) the provisions of pertinent laws; (b) the Master Deed; (c) the Articles of Incorporation and By-Laws of the Association; (d) the Subdivision Rules and Regulations, and (e) other rules and regulations adopted pursuant to the foregoing instruments, including amendments thereto made from time to time. The acceptance of a deed or conveyance, the entering into a lease or mortgage contract or the entering into occupancy of any Unit shall constitute an agreement to be bound by the provisions of the foregoing governing rules, as they may be amended from time to time. The provisions contained in such governing rules shall be covenant running with the Unit and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and fully stipulated in each deed, conveyance or lease or mortgage thereof.

Section 20. **Procedures and Penalties for Violating Restrictions and Subdivision Rules.** In the event that any Unit owner, purchaser, tenant or occupant fails or refuses or neglects to comply with any of the limitations, restrictions, covenants, undertakings or conditions herein contained involving an obligation other than the payment of money, or fails or refuses or neglects to comply with any of the provisions or regulations contained herein, the Association may, in accordance with its By-Laws, remedy such breach or violation or neglect after failure of the owner, purchaser or occupant to do so within the period fixed in the notice and assess against the Unit owner, purchaser and/or occupant(s), jointly and severally all the expenses incurred by the Association as a result thereof. The Association is also empowered to impose, by way of penalty in case of violation, liquidated damages, including attorney's fees and costs of suit, if any, upon the Unit owner, purchaser and/or occupant(s), jointly and severally, in such amount and in the manner prescribed in the By-Laws of the Association. When such liquidated damages, attorney's fees and costs are imposed the same shall be considered as an assessment upon the Unit and shall be secured by the lien.

Pursuant to the above, the Association, through its duly authorized representative, shall have the right:

- a) To enter the Unit of such defaulting member in which or as to which such violation exists and to summarily abate and remove, at the expense of the member owning the Unit any structure, thing or condition constituting the violation, and the Board thereby shall not be deemed guilty of trespass; or
- b) To enjoin, abate or remedy the continuance of such breach or violation by appropriate legal proceedings,
- c) If the breach or violation is committed by a lessee, or a guest of the member or lessee, the Association, through its duly authorized representative, may require the member to ask the lessee, or the guest or person allowed access to the premises, to vacate the Unit and leave the premises of the Subdivision.

Section 21. **Mortgage Protection.** Notwithstanding all other provisions hereof:

- a) Any registered mortgage over the Unit shall be considered to be superior over that of an unregistered lien over the property. It is provided, however, that the dues forthcoming from the Unit arising out of any assessment, whether regular or special, if still unpaid at any foreclosure proceedings, shall at all times be satisfied before any new evidence of ownership and/or title is issued in the name of the foreclosing mortgagee by the proper government agency or instrumentality. The foreclosing mortgagee shall have the right of recourse against the mortgagor for the full amount paid by such mortgagee to the Association relative to the accounts of the subject Unit

with the Association.

- b) Any purchaser of a Unit shall be required to clear the Unit from any accountability with the Association such as, but not limited to the payment of regular or special assessments, share in the cost of real estate taxes, share in the cost of insurance premium, etc.

Section 22. **No Waivers.** No limitation, restriction, covenant or condition contained in this Master Deed and the right to sue thereon, and no provision or regulation in the association documents shall be deemed to have been abrogated, altered, amended or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur through the act of a Unit owner or purchaser, or other Unit owners and purchasers conniving with or acting independently of each other, and regardless of whether the violations or breaches are uniform or not.

Section 23. **Assignment.** The DECLARANT may assign any and all of its rights under this Master Deed or otherwise delegate the exercise of its rights and the performance of its obligations hereunder to any such subsidiary or affiliate corporation's as it may designate, in which case, the said transferee or designated affiliate or subsidiary shall be entitled to the same rights and remedies and be bound by the same terms and conditions of the herein DECLARANT, without affecting in any manner the rights and obligations of the Association and/or the Unit owner, buyer, and/or the occupant or tenants.

Section 24 **Severability.** The invalidity of any of the covenants, conditions or restrictions provided herein as declared by competent judicial authority shall not in any way affect the enforceability of the other provisions hereof, which shall continue and remain in full force and effect as if such invalid provision had never been included herein.

Section 25. **Amendment.** This Declaration of Restrictions may be amended through the approval of the DECLARANT and by majority vote of the Board and majority vote of the members constituting in the Project and its additional Phase or Phases, if any, both sold and unsold, at a meeting duly called and held for the purpose in accordance with the By-Laws of the Association and subject to the provisions of Batas Pambansa Bilang 220 and Presidential Decree No. 957, as amended

Section 26. **Term.** The covenants conditions and restrictions of this Master Deed with Declaration of Restrictions shall run with and bind the Project and its additional Phase or Phases, if any, and shall inure to the benefit of and be enforceable by the DECLARANT, the Association and the Unit owners, including their heirs, executors, administrators, successors and assigns for a term of fifty (50) years from the date of incorporation of the Association and may be extended for another fifty (50) years as approved by the majority vote of the Board and majority vote of its members in good standing

Section 27. **Termination.** The termination of this project and its additional Phase or Phases, if any, and the Association established in connection herewith shall be governed by the provisions of Batas Pambansa Bilang 220 and Presidential Decree No. 957, as amended, and other pertinent and applicable laws of the Philippines