

INTERNAL REGULATIONS



SOSÚA, PUERTO PLATA  
NOVEMBER 2020

OCTOBER 30, 2020

*min*  
*[Signature]*  
CAS

Perdomo, El Batey, Municipality of Sosúa, Province of Puerto Plata, Dominican Republic. **CERTIFY:** That the signatures that appear in this document were placed freely and in my presence by Messrs. **JENNIFER GREER KIRKMAN, MARIA ELENA MORENO GRATERAUX, THOMAS EVAN STUART** and **CYNTHIA ANN STUART**, whose personal data is indicated in the above contract, and who stated before me that these are the signatures that they usually use in all their acts. In the Municipality of Sosúa, province of Puerto Plata, Dominican Republic, on the first (1st) day of the month of September of the year two thousand twenty-one (2021).

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**LIC. GUIDO LUIS PERDOMO MONTALVO**  
Notary Public

18/09/2021

 CAS

**PROMISE OF SALE FOR SHARES AND PROPERTY**

**BETWEEN:**

The party of the first part, Mr. **JAVIER SANCHEZ**, American, of legal age, holder of Passport No. 490829578 and New York State driver's license No. 847-493-889, duly represented, in accordance with the special Power of Attorney granted to this effect, by Mrs. **MARIA ELENA MORENO GRATERAUX**, a Dominican citizen, of age, married, holder of the I.D. and voter's registration card no. 002-0100941-2, with domicile and residing in the municipality of Sosua, province of Puerto Plata, Dominican Republic; which represented person is hereinafter in this contract called **THE SELLER** or by his own name; and

The party of the second part, Mr. and Mrs. **THOMAS EVAN STUART** and **CYNTHIA ANN STUART**, both U.S. citizens, of legal age, married to each other, holders of passport Nos. 572260725 and 567035494 and Florida State Driver's licenses Nos. S363-825-50-430-0 and S363-101-62-863-0, respectively; domiciled and resident in the United States and occasionally in the municipality of Sosúa, province of Puerto Plata, Dominican Republic; hereinafter in this contract called **THE BUYERS** or by their own names;

**THE SELLER** and **THE BUYERS** when jointly referred to in this Agreement, will be called "**THE PARTIES**".

**THE FOLLOWING HAS BEEN AGREED UPON AND CONTRACTED:**

**ARTICLE 1.** - **THE SELLER**, by means of this contract, promises to sell in favor of **THE BUYERS**, according to the conditions established in this agreement, the assets described below:

All shares, that is, **ONE THOUSAND (1,000) SHARES**, of the company **CASA DE ARENA, S.R.L.**, company organized and existing in accordance with the laws of the Dominican Republic, National Taxpayer Registration (R.N.C.) No. 1-05-03013-6, with its registered office located at Pedro Clisante St. No. 73, local No. 5, Plaza Perdomo, El Batey.

**THE PARTIES** acknowledge and accept that the company described above is the owner of the property described below, which makes up its **ONLY ASSET**:

Plot No. 1-Reform-6-Ref-A-64 of the Cadastral District No.2 (two) of the Municipality and Province of Puerto Plata, Sosúa section, Colonia de la Dorsa, which has a surface area of: 0 Hectares, 15 Areas, 69 Centiareas. Limited: To the North: Plots Nos. 1-Reform-6-Reform-A-65 and 1-Reform-6-Reform- (Rest); To the East: Plot No. 1-Reform-6-Reform- (Rest); To the south: street and Parcels Nos. 1-Refor-6-Reform-A-63 and 1-Reform-6-Reform-A-61; To the West: Street. Protected by the Certificate of Title No. 13, issued on the nine (9) date of the month of September of the year one thousand nine hundred and ninety-four (1994), by the Registry of Titles of Puerto Plata, in the name of the company **LA CASA DE ARENA, S.A.**, with its improvements consisting of a two-level house with all its dependencies and annexes.

**Paragraph I:** Said property will be materially delivered to **THE BUYERS**, at the time of signing this agreement, with all movable property and electrical appliances, which are within it, all according to the list that is attached to this contract (Annex I) which is an integral part of this act; except personal items and works of art of **THE SELLER**.

**Paragraph II:** **THE BUYERS** state hereby that they have visited the property, its annexes and installations, that they have seen its furniture, and that they found them in perfect condition and are accepting and receiving them in the condition in which they were at the time of their inspection; therefore, they grant **THE SELLER** a formal discharge receipt for the fulfillment of this obligation.

**Paragraph III:** Together with the signing of this contract and the taking possession of the property representing the object of the same, **THE BUYERS** bind themselves to pay the monthly costs in connection with the same with regard to its maintenance, the public and private services, the corporate taxes, the commercial registration, the property tax (IPI) as well as any other fees for this property.

**Paragraph IV: Property Insurance.** In order to protect the property representing the object of this contract, **THE BUYERS** state and confirm that, within thirty (30) days that this document is signed, they will take out a property insurance, in the amount of Two Hundred Thousand Dollars (US\$200,000.-), the policy of which shall be subject to the following stipulations: a) the policy shall be taken out for the term established for the payment of the outstanding balance indicated in this contract, and for the value established in the corresponding policy contract, and **THE BUYERS** bind themselves to revise this amount periodically and inform **THE SELLER** of any changes; b) the risks to be covered by this policy are fire and/or lightning, water damages resulting from an explosion, earth quakes or tremors, hurricanes and physical damages, fire and water damages caused by a hurricane. The coverage for these risks shall begin within 30 days of the signing of this contract; c) the premiums must be paid in accordance with the stipulations of the corresponding policy contract; d) should a loss occur, and without detriment to a report to the competent authorities, **THE BUYERS** must inform **THE SELLER** immediately, in writing; e) after an evaluation of the real damages and an agreement has been reached as to the amount to be paid by the insurance company, the payment will be made to **THE SELLER** as beneficiary, with the understanding that this payment does not free **THE BUYERS** from their obligation to pay the outstanding balance on the principal, the interest and accessory fees, provided that payment does not cover the total amount of the outstanding balance, interest and accessory fees or, alternatively, the market value of the property at the time of the loss; however, if the insurance company pays **THE SELLER** the total amount of the outstanding balance in principal, interest and accessory fees, **THE BUYERS** shall be exempt from any payment responsibility in this respect; f) when a loss occurs, the outstanding amounts become payable through all means, and the term granted for the payment of the outstanding balance shall be considered as expired; g) **THE SELLER** may pursue the payment of the overdue outstanding balance owed by **THE BUYERS** until the insurance company pays him the total outstanding balance on the principal, the interest and accessory fees, as well as any other outstanding amount; h) **THE BUYER** may decide to use the amount of the compensation for the reconstruction or repair of what was destroyed or damaged; i) should **THE BUYER** choose to rebuild, the work shall be done by **THE BUYERS**, under **THE SELLER'S** supervision, in accordance with the volume calculations system ("sistema de cubicaciones").

**ARTICLE 2. - Justification of the Property Right. -** **THE SELLER** justifies its property right over the aforementioned property by virtue of Certificate of Title No. 13, issued on the ninth (9th) day of the month of September of the year nineteen hundred and ninety-four (1994), by the Registrar of Titles for Puerto Plata, in the name of the company **LA CASA DE ARENA, S.A.**

**Paragraph I: Reservation of THE SELLER'S Property Rights. -** **THE SELLER** grants this sales promise under the express condition, which is accepted by **THE BUYERS**, that this is not a sale and that **THE BUYERS**, therefore, will only become the owners of **THE PROPERTY** and its furniture after they have paid the agreed-upon price, together with its accessory costs, in full, in the form, and subject to the terms and other conditions set forth in this contract. This condition that the price must have been paid in full

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before the final sales contract is signed, constitutes an important and decisive element of this contract, without which **THE SELLERS** would not have entered into the same. The parties understand expressly that any legal act or judicial action by **THE BUYERS** that does not comply with that condition, shall be completely null and without any legal effect and must automatically be dismissed by any judge, court or organism in charge of this matter.

**ARTICLE 3:** Once the sale price stipulated below has been fully paid, in the form, the term and under the other stipulations agreed in this contract, **THE SELLER** undertakes to subscribe, in favor of **THE BUYERS** or the person(s) that they indicate, the Contract of Sale of Shares, Assemblies or other accessory documents that are required by law to transfer the company and the property that is the object of this act.

**ARTICLE 4: Unavailability of the property.** - **THE SELLER** may not, under any circumstances, during the term of this contract, assign, neither in whole nor in part, neither free of charge nor for consideration, nor transfer to commercial companies, nor consent mortgages, or any other way of affecting the property, the rights that are granted by means of this contract, except for non-payment of **THE BUYERS**, according to the form established in the present act.

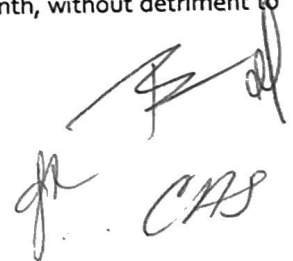
**ARTICLE 5: Sale Price and Form of Payment.** - The sale price stipulated for the company and the property has been agreed by **THE PARTIES** in the sum of **FIVE HUNDRED EIGHTY-SIX THOUSAND NINE HUNDRED NINETY-EIGHT US DOLLARS (US\$586,998.00)**, amount which will be payable as follows:

A) The sum of **TWO HUNDRED EIGHTY-SIX THOUSAND NINE HUNDRED NINETY-EIGHT US DOLLARS (US\$286,998.00)** at the time of signing this agreement, amount for which **THE SELLER** grants a discharge receipt and legal settlement in favor of **THE BUYERS**;

B) The remaining sum amounting to **THREE HUNDRED THOUSAND US DOLLARS (US\$300,000.00)** will be paid in four (4) years, counted from the date of this contract, at an interest rate of four percent (4%) per annum, said interests must be paid monthly on the thirty (30) days of each month.

**PARAGRAPH I: THE BUYERS** must pay the outstanding balance and its interest to **THE SELLER** within the terms stipulated in this clause, with payments to be made into **THE SELLER'S** bank account for which the specifications are indicated in the attached Exhibit II, which forms an integral part of this contract, and/or into the acting Notary's escrow account, for which the specifications are also attached. All payments must be made without the need for any request or previous formality, in the form of forty-eight (48) equal, consecutive and even monthly installments, including the interest, of **ONE THOUSAND US DOLLARS WITH 00/100 (US \$ 1,000.00)** each, with the last payment in the amount of the outstanding balance. The first installment is due thirty (30) days after the signing of this contract, and the remaining installments must be paid on the thirtieth (30<sup>th</sup>) day of each month, maturing at the latest within a period of four (4) years as of the signing of this contract.

**PARAGRAPH II: Penalty Clause.** - In case they fail to make the aforementioned payments on the capital and/or interest, **THE BUYERS** bind themselves to pay **THE SELLER** additional sums on the amount of the overdue payment(s), which sums will be calculated as of the due date until the day on which **THE BUYERS** make the payment(s); this stipulation constitutes a penalty clause. These additional amounts shall be two percent (2 %) on the outstanding balance, for each full or partial month, without detriment to the interest of the credit and **THE SELLER'S** right to terminate the contract.



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**PARAGRAPH III: THE BUYERS** shall be granted a thirty (30) days' period of grace. After the expiration of the indicated deadline, **THE SELLER** shall have the option to legally terminate this contract, which will leave this contract as null and void, without any judicial intervention or procedure, and **THE SELLER'S** obligation to maintain this agreement in favor of **THE BUYERS** comes to an end. In that case **THE SELLER** shall keep, as damages and penalty, all amounts paid by **THE BUYERS**, and **THE SELLER** does not have to reimburse any amounts or somehow compensate **THE BUYERS** when this clause is executed, and **THE BUYERS** must voluntarily and immediately vacate the property, without any kind of objection, and return it with all its movable property, items and accessories to **THE SELLER**, in the same condition in which they received it, free of any debts, in addition to the payment of the penalties applicable, representing penalty interest and fines until the actual and effective date. There will be a **THREE HUNDRED U.S. DOLLARS (US\$300.00)** penalty for each day of delay in the return of the property and its belongings, until the day of its actual return.

**NOTE: THE BUYERS** will have the option to make payments in advance to the principal without any penalties and in such case, interest will only be paid based on the unpaid balance.

**ARTICLE 6: Termination of the Agreement.** This agreement may only be resolved when one of **THE PARTIES** fails to comply with one or more of the obligations assumed by them, since the bilateral nature of the same prevents its resolution or termination by the sole unilateral will, without the need to prove the breach of the other party. It is understood that any attempt to terminate this agreement by the sole unilateral will of one of **THE PARTIES** and without any breach of the opposing party will have absolutely no legal value or effect and must be automatically rejected by any judge, court or body empowered by the affair.

**ARTICLE 7: REGULATIONS, RESTRICTIONS AND MAINTENANCE FEES.-** In view of the fact that the property representing the object of this contract is part of a first-class tourist project, such as the "SEA HORSE RANCH" Urbanization, and in order to preserve and guarantee the quality of said project, **THE BUYERS** and their successors in title bind themselves to comply with the following conditions, unless a special written authorization has been obtained from the project administrator, currently **SEA HORSE RANCH, S.R.L.:**

- A) Not to allow the following on the sold Parcel: 1) the installation of businesses of any kind, since the use of this Parcel is absolutely and exclusively restricted to residential purposes; 2) the installation of signs; 3) the installation of television satellite dishes or antennas of any kind; 4) the construction of fences or walls to limit the property or of columns that are not entrance gates, with the exception of fences or walls built with indigenous stones or with the same material and style of the house that have a maximum height of one point two (1.2) meters and the natural fences of shrubs; wire fences are expressly prohibited; 5) the clearing of trees with a trunk diameter greater than fifteen (15) centimeters, without the prior written authorization of **THE ADMINISTRATOR** of the project, 6) the keeping of animals of any kind, domestic or not; 7) the subdivision of the lot or the changing of streets; 8) the occurrence of damages, annoyances, noise or other actions that affect the tranquility of the neighborhood; 9) the installation of electric power plants; 10) the construction of access roads to the land, using gravel or any other loose material; and 11) the installation of solar panels as an alternative energy source, without having previously obtained an authorization in writing from the **ADMINISTRATOR** of the project, who must determine the location for such an installation, in case the installation is approved.



- B) The occurrence of annoyances, noise and other actions that might affect the tranquility of the neighborhood, such as the use of compressors, steam rollers, tractors, excavators, dynamite, etc., is strictly forbidden, even during the time of construction or renovation.
- C) To use the property for a single-family home, for strictly residential purposes, two (2) stories high, with a maximum height of 11 meters and a covered construction area of at least 400 square meters, including the car port, the garage, the covered terraces, etc. The walls must be at least three (3) meters high, the roofs of this home must have a minimum inclination of thirty-three (33) degrees; they must protrude at least one (1) meter over the exterior walls and must be covered with red tiles. In no case may they be constructed of asbestos cement; aluminum windows or doors may not be used for the façade or any place visible from the street.
- D) Any change to the structure, the façade or the colors of the house must be approved in advance and in writing by the **ADMINISTRATOR** of the project, and must be carried out within the term determined by **THE ADMINISTRATOR** when granting its approval.
- E) The plans must include an enclosed area for the washing and drying of clothes. It is absolutely forbidden to hang or dry clothes or other items on the windows, balconies, etc., or any other place that is visible from the outside.
- F) To keep the lot clear of any type of garbage and weeds, and to maintain the landscaping in good condition. The number assigned to the house within the urbanization must be placed in such a way that it is visible from the street. The use of garbage cans is mandatory. The use of paper or plastic bags is not allowed. The trash cans must be placed in such a way that they are not visible to the neighbors or from the street, but accessible to the personnel in charge of garbage collection. **THE BUYERS** may not store flammable material, explosives, or substances that have a bad smell represent a health hazard on their property.
- G) Not to park or allow their visitors or relatives to park motor vehicles on the streets or green areas of the Urbanization. Parking on the streets will be allowed only in case of parties or other social occasions, and then for a maximum time of ten (10) hours.
- H) To build a water cistern with a minimum capacity of five thousand (5,000) gallons.
- I) To pay the charges for the water, the electricity and the cable TV to the **ADMINISTRATOR**, and to sign the services contracts to this effect.
- J) To pay the monthly fee in Dominican Pesos, equivalent to **SEVEN HUNDRED FIFTY-FIVE U.S. DOLLARS (US\$755.00)**, for the common grounds, the garbage collection, the security service and the improvement of the common areas, such as the streets, the electrical system, the lighting, the green areas and the El Bosque Club to the **ADMINISTRATOR**: This fee might be modified from time to time by the **ADMINISTRATOR** of the project, depending on the cost said services. Furthermore, to pay any deficit that occurs in the maintenance and improvement of the aforementioned common areas. It is understood that neither **THE SELLER** nor **THE ADMINISTRATOR** of the project assume in this section any obligation with regard to the security results in the Urbanization.
- K) Should **THE BUYERS** decide to sell the property representing the object of this contract and/or its improvements, **THE ADMINISTRATOR** (Sea Horse Ranch, S.R.L.) shall have the right of first refusal over any other party, with the same conditions and the same price. This right of first refusal stipulated here must be exercised by the **ADMINISTRATOR** within a period of no more than thirty (30) days from the date

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of receipt of the written notice, which **THE BUYERS** must send to this effect, indicating the price offered, the conditions of the sale or transfer and the name and address of the potential purchaser. **THE BUYER** authorizes the Registrar of Titles for the District of Puerto Plata to register the right of first refusal stipulated here. Any sale or transfer carried out, which does not comply with this stipulation, shall be null and void.

**PARAGRAPH I:** **THE BUYERS** and their successors in title must reproduce all the obligations they assumed in this Article on all acts of sale or assignment involving the sold property. **THE BUYERS** authorize the Registrar of Titles for the District of Puerto Plata to register the regulations contained in this Article as an "EASEMENT", which will affect the Parcel sold to any successor in title, for the benefit of the other lots (parcels) of the project.

**PARAGRAPH II:** **THE PARTIES** and their successors in title acknowledge that the obligations stipulated above, which are meant to preserve and guarantee the special character of the **SEA HORSE RANCH** Urbanization, constitute in their entirety essential and determining elements of this contract, without which **THE PARTIES** would not have entered into this contract.

**ARTICLE 8: Guarantees.** - **THE SELLER** declares and guarantees for the benefit of **THE BUYERS** the following:

- A. That **THE SELLER** has the power and legal capacity to execute and deliver what it undertakes.
- B. That this contract will be duly executed and delivered; therefore, all documents required for the transfer of the rights to the aforementioned property shall be duly delivered.
- C. That **THE SELLER** will be responsible for any obligation which he may have incurred personally prior to the signing of the final act of sale.
- D. That said company and said property are delivered free of seizures, civil lawsuits, conventional mortgages, provisional or definitive judicial mortgages, antichresis, leases, resolution conditions, opposition to transfer, litigation on registered land, administrative claims, cadastral or criminal claims, lawsuits, extrajudicial claims, partition litigation, tax debts, municipal taxes and fees and any other required by law; as well as that it is free of promises of sale and purchase options and domain limitations; and that in general it must be free of any encumbrance or debt at the time of the execution of this contract, for which **THE SELLER** guarantees **THE BUYERS**, under the terms, terms and conditions stipulated in this contract, the transfer in its favor of the property right over the property described above without any disturbances of fact or law emanating from it, its shareholders, its successors or third parties, nor debts, of any nature and whatever title, that is guaranteed with the property object of this contract.
- E. That at the time of final payment, the company and the property will be totally free of debts for taxes and fees of any nature, maintenance, electricity, drinking water, cable TV, employees and any other service provided to the property up until the day on which this contract is signed. Thereafter **THE BUYERS** shall be responsible for these payments.
- F. That the property is located on the plot indicated in the Title Certificate protecting this property.

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G. That together with the final payment of the selling price established in Article Five of this contract THE PARTIES must sign the corresponding act of sale and, upon the signing of that contract, THE SELLER must deliver the following documents to THE BUYERS:

- 1) Original Certificate of Title.
- 2) Original National Taxpayers Registry (R.N.C.).
- 3) Original of your Mercantile Registry.
- 4) Original of the Company Bylaws.
- 5) Original of all corporate documentation of LA CASA DE ARENA, S.R.L.
- 6) Sign and deliver any Act of Sale of Shares, Assemblies and any other accessory document required for the transfer of the Shares.
- 7) Up-to-date invoices for all services contracted on the property prior to the signing of this contract. All invoices after the signing of this contract shall be for THE BUYERS' account.
- 8) Any other document that is required by the corresponding institutions to transfer said company and property.

**PARAGRAPH I: THE PARTIES** acknowledge the essential and decisive nature of these declarations and guarantees made by THE SELLER, without which THE BUYERS would not have contracted.

**PARAGRAPH II: THE PARTIES** declare and acknowledge that the original of the Certificate of Title of the duplicate of the owner of the property object of this agreement will be placed in the hands of the real estate project SEA HORSE RANCH, specifically in the hands of its representative, Mrs. JENNIFER GREER KIRKMAN, American, of legal age, single, holder of the identity and electoral card No. 097-0026527-6, domiciled and resident in this municipality of Sosúa, Puerto Plata province, Dominican Republic, who will act as custodian of the same until the price is completed of the property in order to deliver it to THE BUYERS, and she sign this contract as a sign of acceptance of the conferred mandate or the termination of this contract occurs, if applicable.

**ARTICLE 9: No Assignment.** THE BUYERS may not cede either part or all of the property representing the object of this contract, be it free of charge or for a fee, unless they have obtained THE SELLER'S express agreement, in writing.

**ARTICLE 10: Legitimacy and Origin of the funds.** THE BUYERS declare under the oath, that the funds used for the payment of the Sale Price come from legal sources, traceable and that they comply with all the Anti-Laundering regulations of the Dominican Republic, especially Law number 155-17, promulgated on June one (1) of the year two thousand seventeen (2017). In this sense, they are obliged to document any institution about the statements contained herein.

**ARTICLE 11: Final Sale Contract.** - Together with the final payment THE SELLER undertakes to sign the Final Act of Sale of the shares and the Assemblies and other accessory documents that are required, to transfer the company and property that is the object of this contract.

**ARTICLE 12: Prepayment.** - THE BUYERS may pay in advance at any time before the expiration of the term part of the property price without incurring any penalty.

**ARTICLE 13: Heirs and Assignees.** - This contract will oblige and benefit both the contracting THE PARTIES and their heirs and assignees.



**ARTICLE 14: Common Law and Choice of Domicile.** - For matters not provided for in this act, all **THE PARTIES** refer to the provisions of common law, and choose procedural domicile as indicated below:  
**THE SELLER:** At the office of Lawyers Gratereaux, Delva y Asociados, Plaza El Patio, main street, Cabarete, Dominican Republic; and, **THE BUYERS:** At the office of Mr. Guido Luis Perdomo Montalvo, Pedro Clisante street No. 73, local 5, Plaza Perdomo, municipality of Sosúa.

**ARTICLE 15: Taxes, Expenses and Fees.** - All taxes required for the transfer of the company and the property which represents the object of this contract, fees on documents, registration stamps, the property tax (IPI) portion as of the handing over of the property, expenses and fees for drafting and legalizing contracts will be borne by **THE BUYERS**.

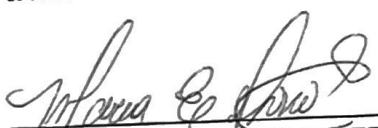
**ARTICLE 16: Revocation of Previous Agreements.** - This contract leaves without any value or effect any understanding, agreement or prior contract, verbal or written, related to its object and that has not been incorporated into this contract. -

**ARTICLE 17. - Competent Jurisdiction and Applicable Law.** - Any litigation, controversy, or claim between **THE PARTIES**, or that derives from the operation contained in this contract and its annexes will be submitted to arbitration before the Chamber of Commerce and Production of Puerto Plata and in accordance with the provisions established in Law No. 50-87 dated June 4, 1987 on the Chamber of Commerce and Production. This contract will be governed by Dominican law.

**ARTICLE 18. -Independence of Each Clause of the Contract.** - Each clause of this contract will be considered independent from the others in the sense that the nullity or invalidity of a provision, in whole or in part, will not affect the validity, effect and execution of the other provisions of the Contract. The null or invalid clauses will be considered as not written.

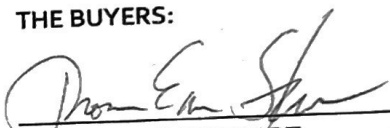
**DRAFTED AND SIGNED** in four (4) originals of the same content and effect, one for each of **THE PARTIES** and another for the corresponding legal purposes, in the Municipality of Sosúa, Province of Puerto Plata, Dominican Republic, on the first (1st) day of the month of September of the year two thousand twenty-one (2021).

FOR THE SELLER:  
JAVIER SANCHEZ

  
\_\_\_\_\_  
**MARIA ELENA MORENO GARTERAUX**  
Specially Authorized Representative

  
\_\_\_\_\_  
**JENNIFER GREER KIRKMAN**

THE BUYERS:

  
\_\_\_\_\_  
**THOMAS EVAN STUART**

  
\_\_\_\_\_  
**CYNTHIA ANN STUART**

Undersigned, **LIC. GUIDO LUIS PERDOMO MONTALVO**, Public Notary of the number for this Municipality of Sosúa, with registration of the College of Notaries of the Dominican Republic number 5528, with my professional office located at Pedro Clisante St. number 73, Local No. 5, Second floor, Plaza

**Sea Horse Ranch**

**Internal Regulations**

**Chapter I. - Subject of the Internal Regulations**

**Article 1-** . The intention of these regulations is to specify the rules governing the rights, duties and activities performed by homeowners, tenants and visitors of the villas at Sea Horse Ranch.

**Article 2-** . These internal regulations constitute the rules that homeowners and their respective families, guests and tenants must comply with in the best interest of the community.

**Chapter II- Implementation of the Regulations**

**Section 1.- Owners**

**Article 3-** . The provisions set out in this regulation apply to each and every one of the owners of one or more villas and their families. It should be understood by family, for the purposes of this regulation, the owner, his spouse and their direct descendants.

**Paragraph.-** In exceptional cases and considering the limited relatives named in the preceding paragraph, the administration of Sea Horse Ranch may consider the family of one particular owner to one or other persons closely associated with him.

**Article 4-** . In the event that one villa or more is owned by a corporation, it will be necessary that it designates no more than two (2) of its members as its representative to the administration of Sea Horse Ranch, for each villa. These representatives, along with their families, for the purposes of this regulation shall be subject to the same rights and obligations given to the villas that are owned by individual persons.

**Section 2.- The Guests**

**Article 5-** . A guest is a person that not being a member of the family of the owner of one or more villas, has been invited by them, previously complying with the formalities required by the management and contained in this regulations.

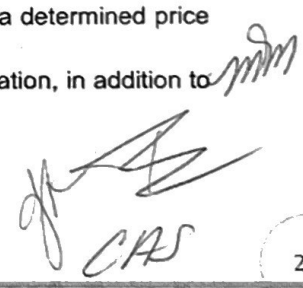
**Article 6-** . Guests must adhere to all the rules contained in this regulation, in addition to the other rules governing the project Sea Horse Ranch.

**Article 7-** . The owners will be jointly responsible for the behavior of their guests, including violations of these rules and other rules governing the coexistence in Sea Horse Ranch, and must answer for the violated rules to the administration.

**Section 3. – The Tenants**

**Article 8-** . These regulations consider as Tenants everyone which for a determined price make temporary use of the villas of Sea Horse Ranch .

**Article 9-** . Tenants must adhere to all the rules contained in this regulation, in addition to the other rules governing the Sea Horse Ranch project.

  
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**Article 10-** . The owners who rent their villas will be jointly responsible for the behavior of their guests, including violations of these rules and other rules governing the coexistence in Sea Horse Ranch, and must answer for the violated rules to the administration

**Chapter III.- General Living Standard Rules at Sea Horse Ranch**  
**Section 1.- Rights, Duties, Obligations and Prohibitions**

**Article 11-**. The owners of one or more villas of Sea Horse Ranch and their families are entitled to the use and enjoyment of the villa, common areas and services made available, upon compliance with the rules governing the project under the moral framework, while maintaining respect, decorum and public order.

**Paragraph-.1** The guests of the owners are entitled to the enjoyment of the common and recreational areas of Sea Horse Ranch, while in the company of the owners who have invited them to the project. Their behavior is the responsibility of the owner who have invited them who must ensure that the standards contained in these regulations are not breached.

**Paragraph-.2** Tenants are entitled to the enjoyment of the rented villa, in addition to the common areas of the Project, respecting always the rules governing the project and under the framework of moral standards, while maintaining the respect, decorum and public order. The villa owners are jointly liable for the behavior of their tenants who must be properly informed of the internal regulations.

**Article 12-**. The following are general requirements for all owners, family members, tenants and visitors of Sea Horse Ranch:

- a) The exclusive use of the property as a single family residence.
- b) Keep the property clean of any garbage. Once the house has been built, it must be kept in good condition, including the patio or garden.
- c) The use of garbage containers is mandatory. Such containers must be always covered and should be placed in areas not visible to neighbors or from the street, but accessible to the garbage collectors.
- d) Pay the hook up fee for the following services: electricity, water, cable TV.
- e) Pay monthly the maintenance fee of the community, which includes maintenance of common areas, garbage collection, security and improvement of common areas, including but not limited to the streets, electrical system and lighting of the green areas and the Beach Club, through an amount in U.S. dollars (U.S. \$) or the equivalent in Dominican Pesos (RD \$), which will be reviewed monthly by the management, in accordance with the changes in the cost of the said services. It is understood that neither the owners nor the project manager assume any responsibility concerning security.
- f) In the event of lack of payment of the monthly bills, pay the SHR administration a penalty of 4% per month on overdue balances.

**Article 13-** . The following are not allowed within the grounds of Sea Horse Ranch:

- a) The establishment of a business of any kind.
- b) The placement or erection of signs.
- c) The installation of satellite antennas, dishes of any kind, solar panels, without obtaining prior approval from the administration. The authorization will depend on the equipment to be installed and it cannot be seen from the street or from the surrounding houses.
- d) Cutting any tree with a diameter of more than six (6) inches, unless prior written permission from the administration.
- e) The installation of electric generators.
- f) Drying or hanging out laundry or any other item in windows, balconies, etc. or anywhere else that may be visible from the street or neighboring properties.
- g) Store flammable material on his property, nor explosives, nor foul smelling materials, nor objects/materials that could be hazardous to people's health
- h) Parking or allow your visitors to park motor vehicles on the streets or green areas of the project. This will only be allow during special social events for a maximum of ten (10) hours.
- i) The occurrence of damages, annoyances, noises and other actions that may affect the tranquility of the neighborhood.

#### **Section 2. - Entry and Internal Transit Rules**

**Article 14-** . Any person, other than the owners or tenants, shall be previously announced by security before entering a villa, and will be only allowed once the authorization has been confirmed with the corresponding villa occupants.

**Article 15-** . Anyone who has the intention and/or authorization to enter the project must behave according to the rules that govern the project and within the framework of moral standards, always with respect, decorum and respecting the public order.

**Article 16-** . When an unregistered guest enters the project, once it is confirmed by the villa or place they are going to visit, the guest will be handed a sign that will be placed on the dashboard of the vehicle that will indicate the area that this car will visit, this is so that the security can control the circulation of said vehicle inside the project.

**Article 17 - .** In the case of guests entering the project to visit the restaurant, after verifying their corresponding ID, a specific sign will be handed which they must place on the front of their vehicle and returned when leaving the gate.

**Article 18 - .** When someone else other than the owners, like friends, family or tenants have the permission to access a particular villa in the absence of the owners, this should be previously notified to the administration office. There should be a registration of the visitors with complete names and ID numbers.

**Article 19- .** Unregistered visitors with our administration office will be required to leave an ID at the gate. Visitors that have not been pre-registered will not be entitled to the use of the common areas. Rental guests should all be pre-registered prior to arrival.

**Article 20 - .** Owners or tenants must inform the office of any activity involving an amount of more than ten (10) people. Any activity that includes music should be informed to the office even when it involves less than ten (10) people, in which case music which affects the neighbors will be allowed only until 11:00 pm.

**Article 21 - .** Two stroke motorcycles are prohibited to enter the project unless they are of the exclusive use of a homeowner. Employees will only will be allowed to use four stroke motorcycles or scooters. There is an area by the security building for employees to leave their two-stroke motorcycles

**Article 22 - .** All employees, both the project's and employees of private villas, must be properly identified with their respective entry cards, which must contain a photo ID and their correct name.

**Article 23 - .** All employees, both the project's and employees of private villas, should be checked when going in and out of the project.

**Article 24 - .** All vehicles must have working mufflers to control the noise and pollution. This is will be especially required of motorcycles.

**Article 25 - .** In order to keep the environment quiet at Sea Horse Ranch, recreational vehicles " Four Wheeler " may not be used on the streets of the project, except when en route to properties outside Sea Horse Ranch. Unlicensed drivers must be accompanied by adults.

**Article 26 - .** For more control in the internal transit the speed limit of Sea Horse Ranch is set to forty km per hour (40 Km).

**Article 27 - .** Delivery trucks shall not be permitted to enter the Sea Horse Ranch before 8:00 am or after 5:00 P.M.

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### Section 3. – Pets Rules

**Article 28 - .** Only villa owners are allowed to have pets in the project. The following are the General rules in order to keep a pet in Sea Horse Ranch:

- a) The dogs will be allowed under certain controlled conditions. Specifically not allowed within Sea Horse Ranch: goats, ducks, geese, chickens and roosters or any variety of exotic pets, domesticated or not, that are difficult control that may prevent the normal development of the community or disturb the peace of the project. If there is any doubt regarding the possession of an animal, please ask the administration prior to acquisition.
- b) Cats are allowed under controlled conditions.
- c) Dog owners are responsible for not creating a nuisance in the community.
- d) Dogs must be contained on each owner's property. Appropriate fencing may be installed for the purpose of containment, after consultation with Sea Horse Ranch management.
- e) Dogs may be exercised on the streets of SHR in which case a leash must be used at all times. The person accompanying a leashed dog must clean up after their pet.
- f) The dogs can only walk freely in non-urban areas outside the property lines of Sea Horse Ranch. Any damage caused by a dog, even in these areas will be the responsibility of the owner.

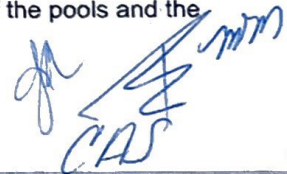
**Article 29 - .** Dogs are not allowed in the following areas:

- i. Any of the internal pedestrian walkways
- ii. The Beach Club area
- iii. Any of the beaches
- iv. The Tennis Club area
- v. The Equestrian Center area

**Article 30 - .** Dogs that are unattended while off the owner's property and dogs that bark because the owners are not present, may be removed by the SHR management and placed in professional care at Judy's Pet Lodge Hotel. The owner of the dog is responsible for the corresponding expenses including a fine of RD \$500.

### Section 4. – Recreational Areas Rules

**Article 31 - .** For the purposes of the proper use and enjoyment of the pools and the Beach Club the following rules apply:



- a. Parents are responsible for their children.
- b. Jumping from the waterfall areas into pools is potentially dangerous and is not allowed.
- c. The children's pool has a sitting area specifically designed for potential supervision of younger children.
- d. Swimmers transferring from the beach to the pools must wash off the sand in the shower adjacent to the beach stairway.
- e. Food, beverages, coolers and containers should not be brought to the Beach Club area. Corresponding service from the Beach Club is available.
- f. Vehicles should be parked in the designated area. The turn - around is intended for drop off and deliveries and is not a parking area.
- g. Property owners who invite guests to use the Beach Club pool area must accompany them to the pool, beach and deck areas with the exception of guests who are staying in the villas. Guests will not be allowed in the pools unless they are under these conditions.
- h. The use of swimsuits is mandatory for the use the pools. The use of the pools will not be allowed in everyday clothes, shoes or any other type of clothing that is not appropriate for the area.
- i. So that the entire community can quietly enjoy the pools area, the use of speakers or music amplifiers is prohibited in this area.

**Article 32 - -** For the purpose of proper use and enjoyment of the Tennis Club the following rules apply:

- a) Reservations for use of the courts must be made by phone or in person. If the person making the reservation is delayed by more than 10 minutes for the appointment, it will be canceled.
- b) Players must wear appropriate clothing and tennis shoes that will not damage the clay courts.
- c) Is not allowed to play without shirts.
- d) The minimum time to rent the courts is one hour.
- e) The lighting of the court, if requested, will be paid separately.



- f) Members who invite people to play will be responsible for the appropriate fee.
- g) The ball boys must be paid separately.

**Article 33 -.** For the purpose and proper use and enjoyment of the Equestrian Center the following rules are mandatory:

- a) All riders must sign a waiver of liability and wear helmets to ride.
- b) Horse owners who want to use their horses in the morning should notify the equestrian center the day before. If Horse is intended to be used in the afternoon it should be notify in the morning, at least 4 hours prior to the time of use.
- c) The presence of stallions requires prior authorization.
- d) Children younger than 12 should be accompanied and supervised by an adult when riding.
- e) Private employees are only allowed with the previous authorization of the Equestrian Center administration.

**Chapter 4.- Special rules of Coexistence and behavior within Sea Horse Ranch**

**Article 34 -.** The owners, family, guests and tenants must adhere at all times to the parameters of morality, maintaining rigorous decency and mutual respect while within the project.

**Article 35 -.** The following activities are completely prohibited within the grounds of Sea Horse Ranch the activities listed below:

- a) The consumption, exchange, sale or use of any illegal substances.
- b) Having sex or intimate behavior of advanced nature in the common areas (pool, club, beach, etc...) within the view of others.
- c) Walking or bathing naked or in underwear in the common areas of the project, including beaches.
- d) The use of land or villas of Sea Horse Ranch for commercial sexual exploitation, use of the villas as brothels, prostitution centers (male or female), or activities related to white slave traffic.

**Article 36 -.** Any violation of the provisions of this chapter, incurred by the owners, family members, tenants or visitors, will lead to an immediate penalty up to two thousand U.S.



dollars (US \$ 2,000.00) that will be charged to the owner of the villa linked to the violation and will be billed in the monthly maintenance fee account.


**Article 37** -. In the specific case of visitors and tenants who commit violations of the provisions set out in this chapter will lead to immediate expulsion from the project. The Sea Horse Ranch Management will establish the penalty to be applied to the respective owners of the villas where those visitors or tenants are visiting or staying.

**Article 38** -. Once the expulsion of a tenant is declared for violation of these rules, any sums of money advanced to Sea Horse Ranch administration will be withheld as payment of a fine. In the event of a private rental, Sea Horse Ranch is not responsible for losses incurred.

#### **Chapter 5. - Regulations on Building and Remodeling.**

**Article 39** -. These are general parameters and requirements for the construction and remodeling projects in Sea Horse Ranch:

- a) To place all construction, excluding pools, at a minimum distance from all boundaries. Required setback distances between specific boundaries for each construction should be strictly respected.
- b) After the construction has been completed, the administrator must previously approve in writing any changes in the structure, facade, or color of the house; modifications must be carried out as approved, including the final landscaping work, within the period determined by Administration upon granting approval thereof.
- c) To include in the architectural plans a concealed area for washing and drying laundry.
- d) It is mandatory to construct a cistern with a minimum capacity of five thousand (5000) gallons.
- e) Construction working hours are from 8:00 am to 5:00 pm from Monday to Saturday.
- f) For non-building work, hours are from Monday to Friday from 8:00 am to 5:00 and Saturdays until noon.
- g) No construction work is allowed after 5:00 pm, on Sundays or on holidays.
- h) Construction work requiring extra time after the regular hours must be approved ahead of time by the Sea Horse Ranch Administration.
- i) In the case of one floor villas, the minimum height of the walls of the first floor must be 10 feet.



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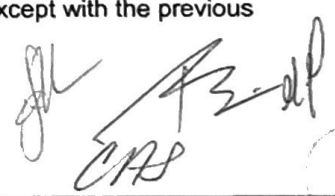
- i) Minimum roof inclination: 33 degrees with a minimum overhang of 1 meter

**Article 40 -** Rules for entering and leaving the project for constructions workers:

- a) Construction workers must enter the project organized in vehicles from a point outside and away from Sea Horse Ranch. The idea is to avoid an accumulation of workers at the entrance of the project.
- b) Each of the construction foremen/engineers must present in the SHR office a list with the names and the corresponding I.D. card numbers of the workers in their brigade. Persons without and I.D. card are not allowed to come into the Project.
- c) Contractors who are working on brief or short-term constructions will receive an I.D. card with a number, and are responsible for keeping it in good condition.
- d) For each lost or damaged I.D. card, the bearer has to pay RD\$500.00.
- d) The workers may not leave the lot or villa on which they are working.

**Article 41 -** Behavior of workers in the construction sites:

- a) It is forbidden to walk through the streets, paths or on empty lots.
- b) The workers are not allowed to leave the construction area to which they are assigned and, if necessary, will be transported in vehicles.
- c) Motorcycles transporting workers are not allowed.
- d) Trucks with construction material must enter after 8:00 am, and leave before 5:30 pm.
- e) The workers may not receive visitors inside the Project. Visitors are only allowed at the main gate of the Project.
- f) The workers are not allowed to sleep on the property.
- g) Should extra security be required for a construction site, only one person is allowed to remain as a security guard for a construction area.
- h) It is strictly forbidden to ingest alcoholic beverages, cause uproars, instigate fights, or use radios or other sound equipment at the construction site.
- i) It is forbidden to use noisy construction equipment, such as compressors/jack hammer, tubular wells trucks and/or similar equipment, except with the previous written authorization from the administration office.



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- j) Anybody disturbing the peace and quiet in the Project will be dismissed and loses his right to ever work again on SHR.

**Article 42 -** It is the responsibility of contractors to make sure the compliance of the following requirements:

- a) Workers cannot stay in the project after working hours. It is prohibited to pay workers inside the Project. They may not stay at the main gate or anywhere near that area.
- b) The foreman is responsible for not leaving any material or expensive tools outside the construction area. These items must be kept in the construction shed or in a room set aside for this purpose, which can be locked.
- c) The foreman is responsible for keeping the site clean from trash and garbage, especially from plastic and paper garbage.
- d) When leaving, the workers must show and open their bags, which will be checked by our security crew at the main gate. The foremen and workers who have a car must open the trunk to have its contents checked.

**Article 43 -** It is necessary and mandatory to abide to the following health requirements:

- a) The contractor must build or rent temporary sanitary facilities for the workers on the construction site, prior to starting the work. Latrines are not allowed.
- b) It is forbidden to mix cement on the paved streets or outside the construction site.
- c) It is forbidden to throw garbage on the neighboring lots or the streets of the Project.
- d) Food must be delivered within the construction area. Preparation of food within the construction site for workers is only allowed with previous authorization from the administration office.

**Article 44 -** The following are prohibited by the regulations for construction and renovations in Sea Horse Ranch the following:

- a) Gravel parking or driveway
- b) The subdivision of the lot or the alteration of the streets.
- c) The construction of fences or walls on the property lines, nor columns other than those needed to support an entrance gate, except:
  - i. Fences or walls constructed with indigenous stones, or with the same material and style as the house, in which cases, the height is limited to one point two (1.2) meters.