

RESTRICTIONS, - BUILDING AND USE - APPLICABLE  
TO LOTS AT HOLIDAY PARADISE DEVELOPMENT  
LITTLE BAY, SINT MAARTEN

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8. Restrictions to Building and Use:

(1) Seller and Purchaser, taking into consideration that the premises to be erected on the sold property shall be destined for residential purposes only, whether temporary or permanent, and consequently shall have to be used and maintained pursuant to said destination, agree about the following restrictive covenants with regard to the building and use on and/or of the sold property.

a. Only one single-family residence of not more than two storeys high and a ridge not more than eight and one-half (8-1/2) meters (26,7 feet) high and one garage for not more than two cars may be erected on a lot. After completion of the construction the remaining unbuilt-on land of the lot may only be used as a garden and as such shall have to be laid out and maintained.

b. All buildings to be erected on the sold property shall be of permanent construction.

No buildings shall be constructed on a lot nearer than five (5) meters from any boundary line thereof.

c. No unlawful or offensive use or use that may constitute a nuisance shall be made or permitted of or upon the sold property.

d. No structure of a temporary character, like barn, shack, tent, trailer shall be kept or constructed on the sold property.

e. No animals, poultry or livestock of any kind shall be raised, bred or kept on the sold property, except pet dogs, cats or other domestic animals, provided that they may not be kept, bred or raised for any commercial purpose.

f. The sold property shall not be used or maintained as a dumping ground for rubbish.

Trash, garbage and other waste shall not be kept or dumped except in covered cans and containers.

All garbage cans on the sold property shall be enclosed from view from the roads and the adjoining properties.

Unightly objects shall not be allowed to be placed or suffered to remain on the sold property.

g. A lot shall not be subdivided.

h. The sold property shall be used for residential purpose only. Consequently no commercial or industrial activities may be developed on the sold property.

i. No sign of any kind shall be displayed to the public view from the road or the adjoining properties; except a sign of not more than five (5) square feet in area advertising the sold property for sale or rent.

j. No renting of rooms or rooming house operation shall be permitted on the sold property.

Notwithstanding this provision the entire property may be rented as a unit.

k. No fence more than six (6) feet high may be constructed on a lot.

1. No soil, rock or fill shall be removed from the sold property, except as may be necessary for the construction of the residence and garage thereon.

(2) Any deviation from the foregoing restrictions is only possible by written approval of Seller or his successors in title; which approval can only be given with proper observance of the interest of the joint owners.

The approval as mentioned before shall be substituted by the approval of the foundation as mentioned in article 14 upon the sale by Seller of all the parcels of land or at such earlier time as Seller shall determine.

(3) The foregoing restrictions are furthermore herewith stipulated in behalf of Seller and, upon the sale by Seller of all the parcels of land or at such earlier time as Seller shall determine, for and in behalf of the aforementioned foundation.

12. To the purpose of the following articles the meaning of words is as stated in this section 12.

As used the words "Resort Project" means the Holiday Paradise Resort project, which is the project which Seller is developing and/or continuing to develop on Sint Maarten, Netherlands Antilles, in the Little Bay district, on a parcel of land previously known as the land destined for the Westermeyer Americas project. As used the word "sub-division" is meant the subdivision in separate parcels of land, destined for the construction of separate dwelling houses, by Seller of the Hillside land, forming part of the Resort project.

13. Seller and Purchaser shall fully cooperate with one another and with the appropriate authorities to the extent necessary for the installation in and supply to the herewith sold property ("sold property") of any and all public utilities, including without limitation, electricity, water, telephone and sewerage, for the public benefit of the Resort project.

The appearers declared herewith to create the easement consisting of the permitting of the installation and holding, maintenance and repair of the utility services, including, without limitation, electricity, water, telephone and sewerage, to be made within the framework of and for the public benefit of the Resort project, like piles, lines, cables, pipes, insulators, rosettes, mains and drains.

The easement shall be reciprocally in favour of (as dominant property) and burdening (as servient property):

a. the sold property; and

b. the remaining property of Seller, being the parcels of land originally described in Certificate of Admeasurement 5 of nineteenhundred and sixty-five (5/1965) and K-28 of nineteenhundred and sixty-one (K-28/1961) (less a parcel of land described in Certificate of Admeasurement number 23 of nineteenhundred and seventy-three (23/1973), together being

the land in which the Resort project is included, less all the parcels of land and all rights of apartment transferred already to third parties, ("third owners") at the occasion of which transfers the aforementioned easements were already created.

14. The hereinafter mentioned Foundation or "Hillside foundation" is responsible for the construction or the finishing of construction of the road system through the subdivision and also the construction or finishing of construction of electricity and water supply up to the boundaries of the separate parcels of land.

The costs of construction, however, are completely for the account of the purchasers. Purchaser shall be obligated to pay an amount of Three Thousand United States Dollars (US\$3,000.00) per lot or as much less as the foundation as mentioned before will decide, as his share in the construction of the roads and utilities, to be taken care of by said foundation. The foundation decides about the date of commencement of construction and also the appointment of a contractor.

Upon the initiative of the Seller a foundation will be founded, which foundation will take care of the construction as mentioned before and of administration of the aforementioned roads and utilities and if the case may be may also serve other purposes which are in the interest of the joint owners of the subdivision.

Purchaser hereby undertakes to participate in the aforementioned foundation and to pay his aforementioned share for construction to the foundation at first demand and shall furthermore be obligated to contribute from the date of transfer and conveyance of the sold property to the cost of maintenance and repair of the aforementioned roads and utilities in proportion to the number of lots connected thereto, or, in the event of special circumstances, in the proportion which will be considered more reasonable by the foundation.

Should purchaser fail to make his aforementioned proportionate contribution to the foundation he shall be liable for the payment of interest at the rate to be fixed by the foundation, but up to a maximum of two percent (2%) per month, over the amounts in arrears and during the period that payments are overdue.

15. Purchaser is aware of existing roads and parking areas through the Resort project and also utility supplies such as main lines and pipes for electricity, water and telephone, a watertank and sewerage plant and that possible extensions thereof will be constructed to the benefit of the Resort project or parts thereof.

Purchaser is furthermore aware of an existing foundation called "Stichting Westermeyer Americas ("Resort Stichting"), which was founded August 20th, 1980, which stichting

at the start of the sale of parcels of land of the subdivision is/was still inactive.

The Resort Stichting will be reactivated by or at the initiative of Seller and, if the case may be, may have the following purposes:

- take care for the collecting of contributions to be paid by the owners in the Resort project for the maintenance and repair of the roads, parking areas and utilities if and to the extent the amounts required for the maintenance and repair are approved by the Resort Stichting;
- if Seller and the Resort Stichting agree thereto, will also take care for the administration thereof;
- if Seller and the Resort Stichting agree thereto, will also be the owner thereof;
- will take care for the general interests of the owners in the Resort project.

All contributions for the aforementioned maintenance and repair will be reasonably attributed to the owners in the Resort project in proportion to the use of or benefit from the roads, parking areas and utilities by the owners.

Purchaser hereby undertakes to participate in the Resort Stichting and shall be obligated to contribute in the aforementioned manner to the costs of maintenance and repair of aforementioned roads, parking areas and utilities.

The last paragraph of article 14 will be likewise applicable to the contributions to the Resort Stichting.

The board of the Resort Stichting will have representatives of all owners or groups of owners with similar interests in the Resort project.

If the Resort Stichting will obtain ownership or use of common recreation facilities like tennis courts and swimming pools an entree fee and/or regular contribution may be required from the owners in order to be entitled to the use of these facilities.

16. Purchaser hereby covenants that, in the event of his future sale of the sold property, he shall, as a condition of such sale, require that the Purchaser thereunder agree, in favour of Hillside Foundation and Resort Stichting or, with regard to article 8, in favour of Seller and/or Hillside Foundation and Resort Stichting, to be bound by each and every one of the provisions contained in articles 8, 14 and 15 hereof as well as the provisions of this article 16. It is further agreed that articles 8, 14 and 15 hereof as well as this article 16 shall be incorporated in any future sale/purchase agreement and any deed of transfer and conveyance of the sold property resulting therefrom.

Seller, by these presents acting as verbal proxy of the Hillside foundation and the Resort Stichting, hereby agrees to accept the foregoing stipulations for and on behalf of Hillside foundation and Resort Stichting.

Should Purchaser as Seller, or any future seller, fail to comply fully with the foregoing, he shall be obligated to pay without notice of default being required an instantly claimable penalty to the Hillside foundation and the Resort Stichting equivalent to the sum of One Hundred Thousand United States Dollars (US\$100,000.00).

The amount of this penalty applicable in any given year shall be annually increased in proportion to any increase in the United States consumer price index over the previous year.

17. The appearers declared herewith to create the easement granting a right of way and the easement granting use of the parking areas, if any;

in favour of the sold property as dominant property and burdening the remaining land of Seller, being the parcels of land originally described in Certificate of Admeasurement 5 of nineteenhundred and sixty-five (5/1965) and K-28 of nineteenhundred and sixty-one (K-28/1961) (less a parcel of land described in Certificate of Admeasurement number 23 of nineteenhundred and seventy-three (23/1973), together being the land in which the Resort Project is included;

as regards the roads:

for purpose of ingress and egress to and from the public road, the beach and the effectuated or to be effectuated recreation facilities and other facilities and buildings of the Resort Project and to and from the sold property over the projected roads in accordance with the development plans.

The owner of the roads is allowed but not obliged to build and to equip the roads in such a way as to restrict the speed limit or embellish their aspect on condition that the easement shall not be unreasonably restricted as a result.

The roads shall be for the use of owners and users of the sold property and furthermore for the use of all owners and users of all the pieces of land as acquired by Seller in the aforementioned deed of January thirty-first, nineteenhundred and seventy-nine (January 31, 1979), transcribed in Register C, volume 44, number 89, for and in accordance with their purpose and in such a way that this use shall take place without any hindrance to other users;

as regards the parking areas:

as they are projected in accordance with the development plans; for the use of owners and users of all the pieces of land as acquired by Seller in the aforementioned deed of January thirty-first, nineteenhundred and seventy-nine (January 31, 1979), transcribed in Register C, volume 44, number 89, for and in accordance with their purpose;

Purchaser shall, together with the other owners of the Resort project be obligated to contribute to the costs of maintenance and repair of the roads and parking areas in the manner as mentioned in articles 14 and 15.