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**JUDGMENT OF THE UNITED STATES COURT
OF APPEALS FOR THE FIRST CIRCUIT
(MAY 6, 2022)**

UNITED STATES COURT OF APPEALS
FOR THE FIRST CIRCUIT

ROOSEVELT REO PR CORPORATION,

Plaintiff-Appellee,

ROOSEVELT CAYMAN ASSET COMPANY,

Plaintiff,

v.

VIRGINIA SILVA-NAVARRO,

Defendant-Appellant,

MILTON SILVA-NAVARRO; ISABEL
LUGO-VELEZ; CONJUGAL PARTNERSHIP
SILVA-LUGO; UNITED STATES,

Defendants.

No. 20-1442

Before: LYNCH, HOWARD and KAYATTA,
Circuit Judges.

Virginia Silva-Navarro appeals the district court's denial of her motion to set aside a default judgment entered in a mortgage foreclosure case. Having carefully

reviewed the parties' submissions, we find that Silva-Navarro has failed to present any substantial issue for appeal, and we affirm essentially for the reasons set forth in the district court's March 25, 2020 Opinion and Order. The request for sanctions pursuant to 1st Cir. R. 38.0 included in appellee's brief is denied without prejudice to refiling as a separate motion. *See, e.g., Bowen Inv., Inc. v. Carneiro Donuts, Inc.*, 490 F.3d 27, 31 n.4 (1st Cir. 2007); *In re I Don't Trust*, 143 F.3d 1, 4 (1st Cir. 1998).

By the Court:

/s/ Maria R. Hamilton

Clerk

cc:

Maximiliano Trujillo-Gonzalez

Mariana E. Bauza Almonte

Reggie Diaz-Hernandez

Jose Juan Sanchez-Velez

**OPINION AND ORDER OF THE UNITED
STATES DISTRICT COURT FOR THE
DISTRICT OF PUERTO RICO
(SIGNED MARCH 24, 2020;
FILED MARCH 25, 2020)**

THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO

ROOSEVELT REO PR, CORP.,

Plaintiff,

v.

VIRGINIA SILVA-NAVARRO, MILTON
SILVA-NAVARRO, AND THE CONJUGAL
PARTNERSHIP BETWEEN THEM,
UNITED STATES OF AMERICA,

Defendants.

Civil No. 16-1036 (ADC)

Before: Aida M. DELGADO-COLÓN,
United States District Judge.

Before the Court are co-defendant Virginia Silva-Navarro's ("Silva-Navarro") motions to set aside the judgment and for stay of eviction. ECF Nos. 75, 79.

For the following reasons, the Court hereby DENIES Silva-Navarro's motions for relief of judgment and to stay the eviction at ECF Nos. 75, 79. Plaintiff's

motions in compliance at ECF Nos. 87, 93 and Silva-Navarro's filings at ECF Nos. 88, 90, 91 are NOTED.

I. Procedural Background

On January 2016, Roosevelt Cayman Asset Company commenced this action against Silva-Navarro, Milton Silva-Navarro, Isabel Lugo-Velez, and their Conjugal Partnership. ECF No. 1. Plaintiff asserted that jurisdiction “lies in diversity of citizen[ship].” *Id.* To that extent, plaintiff claimed that Roosevelt Cayman Asset Company’s “principal place of business is located in Cayman Islands” while defendants were all residents of Puerto Rico. *Id.*, at 1-2. Defendants were personally served with summons and copy of the complaint on March 2016. ECF Nos. 9, 10, 11. On plaintiff’s motion, the Court granted the entry of default against Silva-Navarro. ECF Nos. 13, 16. Silva-Navarro does not question the fact that she was served with process in March 2016.

Plaintiff then moved for default judgment. ECF Nos. 15, 17. However, the Court ordered plaintiff to show cause “as to why the United States should not be brought as defendant in this case pursuant to 28 U.S.C. § 2410, as well as Citibank N.A., so that they may appear and assert their interest in the instant claim.” ECF No. 18. Plaintiff decided to request leave to file an amended complaint “only to include the United States of America as defendant.” ECF No. 20. The Court granted plaintiff’s motion for leave to file the amended complaint and plaintiff proceeded accordingly. ECF Nos. 21, 22.

After serving process upon the newly-added defendant, the United States of America, plaintiff moved for entry of default against defendants since no

responsive pleading was filed in connection with the amended complaint. ECF Nos. 24, 25, 26, 30, 32, 33. On March 2017, the Court granted plaintiff's motions for entry default. ECF Nos. 34, 37. Plaintiff then moved for default judgment, which was finally entered against all defendants on May 31, 2017. ECF Nos. 39, 41.

Due to the "difficult situation" caused by Hurricane María, plaintiff requested a temporary stay of the foreclosure in order to give the parties space for potential loss mitigation. ECF No. 45 at 1. The Court granted the stay as requested. ECF No. 47. Months later, the stay was lifted and on July 2018, the Court granted plaintiff's motion for execution of judgment. ECF Nos. 53, 56. On plaintiff's motion, an Order of execution of judgment was entered in the case. ECF No. 57.

On January 2019, plaintiff requested the "substitution of Plaintiff from Roosevelt Cayman Asset Company to Roosevelt REO PR Corp., pursuant to FRCP 25 (3)(c)." ECF No. 59 at 2. Plaintiff also filed a motion for confirmation of sale. ECF No. 64. The Court granted both motions. ECF Nos. 65, 67. Subsequently, plaintiff moved for cancellation of junior liens and for eviction. ECF Nos. 68, 69. Pursuant to Article 231 of the Puerto Rico Mortgage Act, the Court granted the motion for cancellations of junior liens. ECF No. 70. However, the Court held plaintiff's motion for eviction in abeyance until plaintiff submitted evidence of notice of the request for eviction to defendants' last known address. ECF No. 72. On August 23, 2019, plaintiff filed a motion certifying that notice of the eviction was provided to defendants, including Silva-Navarro. ECF No. 73.

On August 29, 2019, Silva-Navarro filed a motion to “Set Aside Judgment [and for] stay of eviction and execution of judgment.” ECF No. 75. She argued that the foreclosed Mortgage Deed is “null” because the lender’s representative failed to initial and to sign the Mortgage Deed. ECF No. 75 at 1-3. Due to these alleged omissions, Silva-Navarro requested the reimbursement of all the amounts paid to the lender under the loan secured by the challenged Mortgage Deed. *Id.*, 6-7. Finally, Silva-Navarro contended that plaintiff failed to serve process with copy of the amended complaint and to provide proof of proper notice of the motion for eviction. *Id.*

Plaintiff filed a short response contending that Silva-Navarro’s motion did not meet the threshold requisites under Federal Rules of Civil Procedure 55 and 60 to set aside a final and unappealable judgment. ECF No. 77. Silva-Navarro replied and incorporated new arguments. ECF No. 79. Among the reply’s more salient new arguments, Silva-Navarro argued that the Court lacked subject matter jurisdiction to enter judgment under 28 U.S.C. § 1332. *Id.* In support, Silva-Navarro argued that plaintiff failed to state the jurisdiction in which plaintiff was incorporated and that it had no “judicial personality” because it was not “recorded in Puerto Rico.” *Id.*, at 7, 8; ECF No. 88 at 2. Alternatively, she argued that the original plaintiff was substituted for a non-diverse party (*i.e.* Roosevelt REO PR, CORP.), thereby destroying diversity. ECF No. 79 at 9.

The Court ordered plaintiff to show cause as to why Silva-Navarro’s motions should not be granted. ECF No. 82. The Court specifically ordered plaintiff to address Silva-Navarro’s subject matter jurisdiction

arguments. *Id.* Plaintiff filed a timely motion in compliance. ECF No. 83. On November 6, 2019, Silva-Navarro filed a response to plaintiff's motion in compliance. ECF No. 84. In her motion, Silva-Navarro simplified the issues before the Court and conceded that her arguments boiled down to two "basic issues." ECF No. 83 at 1-2. First, whether the Mortgage Deed is enforceable under Puerto Rico law and, second, whether the Court lacked subject matter jurisdiction. *Id.*

Plaintiff opposed and submitted documents in support. ECF No. 87. Silva-Navarro replied by reiterating the same arguments it had advanced in her prior motions. ECF No. 88. Plaintiff filed a sur-reply restating its previous arguments. ECF No. 89. Silva-Navarro filed two motions informing alleged *ex parte* communications. ECF No. 90, 91. Plaintiff submitted certified translations in connections with the motion at ECF No. 87. *See* ECF No. 93.

II. Standard of Review

Federal Rule of Civil Procedure 60(b) states:

On motion and just terms, the court may relieve a party or its legal representative from a final judgment, order, or proceeding for the following reasons:

- (1) mistake, inadvertence, surprise, or excusable neglect;
- (2) newly discovered evidence that, with reasonable diligence, could not have been discovered in time to move for a new trial under Rule 59(b);

- (3) fraud (whether previously called intrinsic or extrinsic), misrepresentation, or misconduct by an opposing party;
- (4) the judgment is void;
- (5) the judgment has been satisfied, released, or discharged; it is based on an earlier judgment that has been reversed or vacated; or applying it prospectively is no longer equitable; or
- (6) any other reason that justifies relief.

This rule “must be construed so as to recognize the importance of finality as applied to court judgments. On the other hand, the rule must be construed so as to recognize the desirability of deciding disputes on their merits.” *Teamsters, Chauffeurs, Warehousemen and Helpers Union, Loc. No. 59 v. Superline Transp. Co., Inc.*, 953 F.2d 17, 19 (1st Cir. 1992). The First Circuit’s Rule 60(b) test includes the following criteria: “(1) timeliness, (2) the existence of exceptional circumstances justifying extraordinary relief, and (3) the absence of unfair prejudice to the opposing party.” *Id.*, at 20. “There is, however, an additional sentry that guards the gateway to Rule 60(b) relief . . . a litigant, as a precondition to relief under Rule 60(b), must give the trial court reason to believe that vacating the judgment will not be an empty exercise.” *Id.*

III. Analysis

As a threshold matter, the Court finds that Silva-Navarro’s motions at ECF No. 75, 79 are untimely. Silva-Navarro was personally served with process on March 2016. ECF Nos. 8, 9, 10, 11. Default was entered against Silva-Navarro for her failure to

appear. ECF Nos. 13, 16. Finally, default judgment was entered on May 2017. ECF No. 41. Silva-Navarro has never questioned the fact that she was properly served with process in March 2016.¹ Moreover, Silva-Navarro does not address the untimeliness of her requests. Therefore, the motions for relief of judgment at ECF No. 75 and the reply at ECF No. 79 (which added new arguments) are untimely, as they were filed years after the judgment became final. *Teamsters, Chauffeurs, Warehousemen and Helpers Union, Loe. No. 59 v. Superline Transp. Co., Inc.*, 953 F.2d 17 (1st Cir. 1992).

Nonetheless, considering the fact that Silva-Navarro also calls into question the Court's subject matter jurisdiction in entering judgment, the Court will address and rule upon Silva-Navarro's claims and arguments.

A. Subject matter jurisdiction

Silva-Navarro collaterally attacks the judgment by challenging the Court's subject matter jurisdiction. ECF No. 79 at 3-7. She argues that plaintiff is not a diverse party for purposes of the diversity statute and that plaintiff does not enjoy "judicial personality" because it is not registered as an "en comandita" partnership or otherwise in Puerto Rico or the United States. ECF Nos. 79, 88 at 2.

"A district court's express or implicit determination that it has jurisdiction is open to direct review, but it

¹ Silva-Navarro only questioned plaintiff's failure to serve process with regards to the amended complaint. Nothing was said, however, in regards to the fact that she was in default prior to the filing of the amended complaint at ECF No. 22.

is res judicata when collaterally attacked.” *Baella-Silva v. Hulsey*, 454 F.3d 5, 9 (1st Cir. 2006) (citing *Fafel v. DiPaola*, 399 F.3d 403, 410 (1st Cir. 2005)). The First Circuit “has established a high bar for collaterally vacating a judgment for lack of subject-matter jurisdiction.” *Id.* “Namely, the judgment must be void in order to be vacated for lack of subject-matter jurisdiction on collateral review[.]” *Id.* Noting the difference between a void judgment and an erroneous one, the First Circuit explained that:

[a] void judgment is one which, from its inception, was a complete nullity and without legal effect. . . . While absence of subject matter jurisdiction may make a judgment void, such total want of jurisdiction must be distinguished from an error in the exercise of jurisdiction . . . [which] will not render the judgment void. Only in the rare instance of a clear usurpation of power will a judgment be rendered void.

Id., (quoting *Fafel v. DiPaola*, 399 F.3d at 410; *Lubben v. Selective Serv. Sys. Local Bd. No. 27*, 453 F.2d 645, 649 (1st Cir. 1972)). Accordingly, the Court is called to examine “if the record supports an ‘arguable basis’ for concluding that subject-matter jurisdiction existed, [in which case] a final judgment cannot be collaterally attacked as void.” *Id.*

Here, the record shows that the original plaintiff, Roosevelt Cayman Asset Company, is an “exempted company” organized under the laws of the Cayman Islands, British Overseas Territory. ECF No. 87. “Exempt companies” organized under the laws of the Cayman Islands are “corporations” for purposes of the diversity jurisdiction. *See Bautista Cayman Asset Co.*

v. The Ferrer Group, Inc., Civil No. 15-2277 (GAG), 2016 WL 1642630, at 1 (D.P.R. Apr. 25, 2016); *Triangle Cayman Asset Co. 2 v. Empresas Omajede, Inc.*, Civil No. 17-2372 (PG), 2019 WL 1499331, at *2 (D.P.R. Apr. 3, 2019); *Bautista Cayman Asset Co. v. Asociación de Miembros de La Policía De Puerto Rico*, Civil No. CV 17-1167 (CCC), 2018 U.S. Dist. LEXIS 125412 (D.P.R. July 18, 2018). Thus, contrary to Silva-Navarro’s unsupported arguments, Roosevelt Cayman Asset Company is a “corporation” for purposes of diversity, not an “en comandita” partnership. ECF No. 88 at 2-3.

Moreover, Silva-Navarro’s argument challenging plaintiff’s lack of “judicial personality” also misses the mark under the Puerto Rico’s General Corporations Act. ECF No. 88 at 2-3. Article 13.03 of Puerto Rico’s General Corporations Act bars a foreign corporation that has been doing business in Commonwealth without authorization from filing a complaint before the Commonwealth Courts. P.R. Laws Ann. tit. 14, § 3803. However, Article 13.05 of the General Corporations Act states that: “[t]he following activities[] . . . shall not constitute doing business . . . (1) Initiate, defend or settle any judicial process . . . (7) Create or acquire debts, mortgages, or real property securities. (8) Guaranty or collect debts or foreclose on mortgages, or securities on the properties which guaranty such debts.” P.R. Laws Ann. tit 14, § 3805 (emphasis added). Therefore, the Court’s doors were not closed to plaintiff even if it was not registered as a corporation doing business in Puerto Rico.

The Court now turns to examine whether Roosevelt Cayman Asset Company, as a “corporation,” was a diverse party at the time of filing the complaint.

The relevant test under 28 U.S.C. § 1332(c)(1) is dual: place of incorporation and principle place of business. According to the docket, plaintiff's principal place of business "is the Cayman Islands." ECF No. 22 at 1-2. Likewise, its place of incorporation is the Cayman Islands. ECF No. 78-1. On the other hand, defendants are citizen of the United States residing in Puerto Rico. ECF No. 22-1. Accordingly, the record reflects that at the time judgment was entered, complete diversity existed among the parties. To wit, defendants' citizenships are different from plaintiff's dual citizenship. Therefore, the record "supports an 'arguable basis' for concluding that subject-matter jurisdiction existed," and thus the "final judgment cannot be collaterally attacked as void." *Baella-Silva v. Hulsey*, 454 F.3d at 9-10.

Alternatively, Silva-Navarro argues that diversity was destroyed by plaintiff's substitution. ECF No. 79. She posits that by granting the post-judgment substitution in favor of Roosevelt REO PR CORP., a Puerto Rico corporation, diversity was destroyed. This argument, however, is inapposite to settled law. "[T]he jurisdiction of the court depends upon the state of things at the time of the action brought." *Malian v. Torrance*, 9 Wheat. 537, 539, 6 L.Ed. 154 (1824). "This time-of-filing rule is hornbook law (quite literally) taught to first-year law students . . . It measures all challenges to subject-matter jurisdiction premised upon diversity of citizenship against the state of facts that existed at the time of filing." *Grupo Dataflux v. Atlas Glob. Group, L.P.*, 541 U.S. 567, 570-71 (2004). Therefore, "the citizenship of a party who is substituted under Rule 25 normally is immaterial." 13E Wright & Miller, Fed. Prac. & Proc. Jurs. § 3608. In this case,

plaintiff was substituted under Fed. R. Civ. P. 25. Accordingly, whether Roosevelt REO PR CORP. is a diverse party is “immaterial.”

In one of her several replies and responses, Silva-Navarro vaguely argues that the “time of filing rule” is not the applicable test to the case at bar. ECF No. 90. According to Silva-Navarro, instead the Court should apply the test formulated in *Am. Fiber & Finishing, Inc. v. Tyco Healthcare Group, LP*, 362 F.3d 136 (1st Cir. 2004). Concededly, *Am. Fiber & Finishing* held that in certain circumstances the courts were not bound by the “time of filing” rule in determining whether diversity jurisdiction attached. However, Silva-Navarro failed to realize a simple fact that singlehandedly destroys her argument. To wit, in *Am. Fiber & Finishing* the First Circuit took caution in underscoring that “there was no post-filing transfer of interest in the instant case. Tyco Healthcare had acquired all of Kendall’s assets and liabilities. . . over two years before AF & F commenced this action.” *Id.*, at 140 (internal citations omitted, and emphasis added). Thus, contrary to the facts in *Am. Fiber & Finishing*, in the instant case the transfer of interest and substitution took place only after the entry of judgment. *Id.* So, even if the Court applied *Am. Fiber & Finishing* and the case law analyzed therein, the “time of filing” rule would still control the case at bar.

Because the record reflects arguable basis to hold that jurisdiction existed, Silva-Navarro is barred from collaterally attacking the final judgment. Even if the Court were to entertain Silva-Navarro’s untimely arguments, the request to vacate the final judgment for want of jurisdiction should be denied.

B. Mortgage Deed

Silva-Navarro asserts that the foreclosed mortgage is “null” because the Mortgage Deed lacked two requirements: lender’s representative initials and signature. ECF No. 75 at 2. In opposition, plaintiff submitted at ECF No. 83-2 copy of the Mortgage Deed allegedly extracted from the notary public’s protocol. This copy of the mortgage Deed includes the lender’s representative initials throughout the document and also includes his signature at the bottom of the deed’s last page. *Id.* In addition, plaintiff explained

common practice in the industry [dictates] that right after the execution of a mortgage, the notary gives to each party a simple copy of the instrument. Typically, the notary only prepares a certified copy of an instrument, such as the foreclosed mortgage, for submissions in the Property Registry. This is so, because each certified copy cancels stamps, which increases the costs of doing business. ECF No. 83 at 5.

Notwithstanding, Silva-Navarro opposed and purported that the copy of the Mortgage Deed at ECF No. 83-2 was not certified by the Notary Public who authorized the original Mortgage Deed. ECF No. 84 at 2. Thus, according to Silva-Navarro, the new copy of the Mortgage Deed submitted by plaintiff should be disregarded. Silva-Navarro also suggested that certain deviations from the Puerto Rico Notarial Act

might have taken place in connection with the Mortgage Deed. *Id.*²

In response, plaintiff provided another copy of the Mortgage Deed. This time the copy includes an explicit certification from the notary public that authorized the original deed. ECF No. 87-1 (certified translation at ECF No. 93-2). As the record shows at ECF No. 87-1 (certified translation at ECF No. 93-2) the Mortgage Deed contains the lender's representative initials at the left margin of every page. *Id.* Moreover, it also has his signature at the bottom of the last page of the instrument. *Id.*

Even though the Mortgage Deed at ECF No. 87 contains the Notary Public's certification, Silva-Navarro

² Silva-Navarro added an argument regarding a violation under "Federal Relations Act . . . 48 U.S.C. 872." ECF No. 84 at 4. She argued that the Court "authorized a foreclosure case depriving the People of Puerto Rico of internal revenue." *Id.* Silva-Navarro further suggests that the Court "may want to hear the position of the Puerto Rico Financial Oversight Board, and the Government of the Commonwealth of Puerto Rico in this matter, because Puerto Rico may lose a substantial amounts of money if the decision were to be that this Honorable Court will not require Internal Revenue Stamps in the public deeds submitted by parties before this Honorable Court." ECF No. 84 at 5. This far-fetched conclusion results from Silva-Navarro's misinterpretation of plaintiff's arguments at ECF No. 83. Contrary to Silva-Navarro's convoluted theory and borderline-offensive insinuation about this Court's rulings, plaintiff's argument at ECF No. 83 was quite simple. To wit, plaintiff argued that the notary public customarily provides the parties with "simple copies" of the deed. ECF No. 83 at 5. Clearly, no one has suggested or, for that matter, concluded that the Mortgage Deed was exempt from cancelling internal revenue stamps as required under Puerto Rico law. Thus, this argument is unbecoming and deserves no further consideration.

also takes issue with this filing and flags new alleged flaws. She contends that the copy submitted at ECF No. 87-1 (certified translation of the Notary Public's certification at ECF No. 93-2) is not a true and exact copy of the deed because it lacks several Puerto Rico internal revenue stamps. ECF No. 88 at 4. Silva-Navarro's also questions the "statement of authenticity" of the Mortgage Deed. *Id.*, at 6.

Despite Silva-Navarro's attacks to the copy of the Mortgage Deed at ECF No. 87, 93-2, under Puerto Rico notarial law, a deed is presumed valid. *In re Feliciano Ruiz*, 17 P.R. Offic. Trans. 322, 117 D.P.R. 269 (1986) (the notary public "attests to the fact and assures that the instrument meets all the formalities, both formal and substantive, of the law; that it is true and lawful; and that the transaction involved is a valid one" (emphasis added)). Moreover, the Mortgage Deed at issue was recorded in the Property Registry, which supposes that it canceled the required stamps according to Puerto Rico law. *See* P.R. Laws Ann. tit. 4, § 851; *et seq.* Finally, the copy at ECF No. 87-1, 93-2 explicitly includes the Notary Public's certification attesting that it is a true copy of the original instrument. *See* certified translation at ECF No. 93-2. The Court has no reason to question the certification from a third-party Notary Public. For these reasons, the Court holds that the certified copy submitted by plaintiff at ECF No. 87-1, 93-2 is adequate and suffices for purposes of the analysis at hand.

Silva-Navarro's arguments for relief of judgment due to "nullity" of the Mortgage Deed are thus unavailing. However, Silva-Navarro is not without recourse. She has adequate venues available under

state law to challenge any purported notarial wrongdoing.

C. Personal Jurisdiction

Wedged between her main two arguments, Silva-Navarro included a succinct argument involving personal jurisdiction. She argues that the Court lacks personal jurisdiction over her because she was not served with the amended complaint. ECF No. 75 at 9.

However, under Fed. R. Civ. P. 5(a)(2), “[n]o service is required on a party who is in default for failing to appear” except if the “pleading [] asserts a new claim for relief against such party [].” Here, the Court entered default against Silva-Navarro four months before plaintiff filed the amended complaint due to her failure to appear after she was personally served with copy of the summons and the original complaint. ECF Nos. 14, 16. Moreover, the amended complaint at ECF No. 22 did not vary from its original version in any manner that would require plaintiff to serve process pursuant to Fed. R. Civ. P. 5. ECF No. 22. The amended complaint simply incorporates the United States as a nominal co-defendant. ECF No. 22 at 1-2. Nothing else changed. *Id.* Thus, pursuant to Fed. R. Civ. P. 5(a)(2), plaintiff was not required to serve copy of the amended complaint upon Silva-Navarro because she was in default.

IV. Conclusion

For all the above, the Court hereby DENIES Silva-Navarro’s motions to set aside the judgment at ECF Nos. 75, 79. Plaintiff’s motions in compliance at ECF Nos. 83, 87, 93 are NOTED. For all the above, Silva-Navarro’s ECF No. 91 is NOTED.

Pursuant to the moratorium issued by the Secretary of the United States Department of Housing and Urban Development (“HUD”) and the Federal Housing Finance Agency (“FHFA”), and Chief Judge, Gustavo A. Gelpí’s Order, Misc. No. 20-088, the motion for eviction at ECF No. 69 is DENIED WITHOUT PREJUDICE. Plaintiff may refile its motion for eviction after May 30, 2020.

SO ORDERED

At San Juan, Puerto Rico, on this 24th day of March, 2020.

/s/ Aida M. Delgado-Colón

United States District Judge

**ORDER OF THE UNITED STATES
DISTRICT COURT FOR THE
DISTRICT OF PUERTO RICO
(SIGNED DECEMBER 13, 2019;
FILED DECEMBER 17, 2019)**

THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO

ROOSEVELT REO PR, CORP.,

Plaintiff,

v.

VIRGINIA SILVA-NAVARRO, MILTON
SILVA-NAVARRO, AND THE CONJUGAL
PARTNERSHIP BETWEEN THEM,
UNITED STATES OF AMERICA,

Defendants.

Civil No. 16-1036 (ADC)

Before: Aida M. DELGADO-COLÓN,
United States District Judge.

On August 29, 2019, co-defendant Virginia Silva-Navarro (“Silva-Navarro”) filed a motion for stay of eviction and to set aside the judgment which ordered the foreclosure on a Mortgage Deed which encumbered real property. ECF No. 75 at 1. She argued that the foreclosed Mortgage Deed is “null” because the lender’s representative did not include his initials and signature

in the executed Mortgage Deed. ECF No. 75 at 2. She also argued that plaintiff deprived her of the due process of law by not serving process upon her with copy of the amended complaint. *Id.*, at 7. Plaintiff filed a short response in opposition. ECF No. 77. Silva-Navarro then filed a reply that included new arguments. Among those new arguments, Silva-Navarro challenged the diversity of the parties and questioned the subject matter jurisdiction of the Court to enter judgment. ECF No. 79.

Considering that plaintiff's response at ECF No. 77 did not address Silva-Navarro's arguments, the Court entered an order holding in abeyance plaintiff's motion for eviction and granted plaintiff 14 days to file a detailed response to co-defendant's motions. ECF No. 82. The Court specifically ordered plaintiff to address the subject matter jurisdiction arguments raised at ECF Nos. 75, 79. On October 29, 2019, plaintiff filed a motion in compliance. ECF No. 83. However, plaintiff did not include any arguments, nor did it proffer any evidence or documents in opposition to Silva-Navarro's challenges to the subject matter jurisdiction of the Court.

Silva-Navarro filed a response at ECF No. 84. She also filed a motion requesting that her motion at ECF No. 84 be deemed as unopposed. ECF No. 85.

Given the fact that the property was sold and considering the consequences that vacating the judgment might entail, plaintiff is granted a final opportunity to show cause as to why there are "arguable basis" for concluding that subject-matter jurisdiction existed, *Baella-Silva v. Hulsey*, 454 F.3d 5, 9 (1st Cir. 2006), to provide any and all evidence in support, and

to address all of Silva-Navarro's substantive arguments. Plaintiff is granted 10 days to comply with this order. Failure to comply might result in sanctions, including setting aside the judgment.

Accordingly, plaintiff's motion at ECF No. 83 is NOTED. Silva-Navarro's response at ECF No. 84 is NOTED; the motion at ECF No. 85 is DENIED WITHOUT PREJUDICE.

At San Juan, Puerto Rico, on this 13th day of December, 2019.

/s/ Aida M. Delgado-Colón
United States District Judge

**DEFAULT JUDGMENT OF THE UNITED
STATES DISTRICT COURT FOR THE
DISTRICT OF PUERTO RICO
(MAY 31, 2017)**

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO

ROOSEVELT REO PR, CORP.,

Plaintiff,

v.

VIRGINIA SILVA-NAVARRO, MILTON SILVA-
NAVARRO, AND HIS WIFE ISABEL LUGO
VELEZ, AND THE CONJUGAL PARTNERSHIP
BETWEEN THEM, UNITED STATES
OF AMERICA,

Defendants.

Civil No. 16-1036 (ADC)

Collection of Monies, Foreclosure of Mortgage

Before: Aida M. DELGADO-COLÓN,
United States District Judge.

Upon plaintiff's application for judgment, and it appearing from the records of the above-entitled cause that the Clerk entered default against the defendants (for failure to plead or file an answer to the

complaint, or otherwise appear in the above cause) plaintiff is entitled to a judgment by default.

Accordingly,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that:

Defendants, VIRGINIA SILVA NAVARRO, MILTON SILVA NAVARRO and his wife ISABEL LUGO VELEZ, and the conjugal partnership between them, are hereby ordered to pay plaintiff the following sums due, a total outstanding principal balance in the amount of \$91,881.11 accrued annual interests in 6.375%, monthly late charges from the 1st day of July, 2015 until full payment, plus mortgage and risk insurance premiums, late fees and any other amount expressly agreed-upon in the mortgage deed, from the date stated above until full payment thereof, plus 10% for attorneys' fees and legal costs in the amount of \$11,610.00.

In default of the payment of the sums hereinbefore specified or of any part thereof, within ten (10) days from the date of entry of this judgment, the following mortgaged property, described in the Spanish language, shall be sold at public auction to the highest bidder, without an appraisal or right of redemption for the payment of plaintiffs' mortgage within the limits secured by it:

“PROPIEDAD HORIZONTAL: Apartamento residencial número 821 de forma irregular, constituido por un nivel, localizado en la segunda planta del modulo 8 del Condominio La Floresta que esta situado en el barrio Minillas del termino municipal de Bayamon, Puerto Rico. Consta de un nivel, siendo sus

linderos los siguientes: por el NORTH, con el apartamento número 822, Area comun y espacio exterior, en una distancia de 14.71 metros lineales; por el SUR, con espacio exterior, en una distancia de 13.16 metros lineales; por el ESTE, con Area comun y espacio exterior, en una distancia de 9.55 metros lineales; y por el OESTE, con espacio exterior, en una distancia de 9.55 metros lineales. Consta el mismo de tres habitaciones con sus respectivos closets, una sala-comedor, cocina, dos banos, Area de almacenar, laundry, y terraza. Los banos estdn equipados con banera, lavamanos y servicio sanitario. Se incluye “bidet” en el bano del cuarto principal. El Area total del apartamento es de 109.53 metros cuadrados. La puerta de entrada de este apartamento esta situada en su lindero Norte y por ella se sale a la escalera y al Area de circulacion del proyecto. Este apartamento tiene una participación de 0.5145% en los elementos comunes generales del condominio. Le corresponde como elemento exclusivo los estacionamientos identificados con los nameross 99 y 100.”

Recorded at page 50 of volume 1878 property 77568, of Bayamon Sur, Registry of the Property of Puerto Rico, First Section of Bayamón (hereinafter the “Registry”)

The following liens are junior to the mortgage that is being foreclosed in the captioned case:

- a. MORTGAGE: In favor of Citibank NA, in the original principal amount of \$29,000.00, with 12.24% annual interests, due on August

5th, 2022, constituted by deed #298, executed in Bayamon, Puerto Rico, on August 30th, 2007, before Rafael Maldonado Perez Notary Public, recorded at page 50 of volume 1878 of Bayamon Sur, property number 77,568.

- b. Federal Tax Lien: Recorded at book number 12, page 101, entry 4, filed on August 23rd, 2013, notification number 954611213, against Isabel Lugo Perez, P.O. Box 607061, Bayamon PR, 00960-7061; Social Security number xxx-xx-1850, in the amount of \$49,635.73.
- c. Federal Tax Lien: Recorded at book number 12, page 168, entry 5, filed on June 20th, 2014, notification number 103575314, against Milton Silva Navarro, P.O. Box 837, Bayamon PR, 00960-837; Social Security number xxx-xx-6658, in the amount of \$5,615.73.
- d. Federal Tax Lien: Recorded at book number 12, page 169, entry 1, filed on June 20th, 2014, notification number 103575414, against Milton Silva Navarro, P.O. Box 837, Bayamon PR, 00960-837; Social Security number xxx-xx-6658, in the amount of \$48,255.73.

The Court may appoint a Special Master to conduct the sale, but the Special Master shall not proceed to carry out the sale, or do anything in connection with it, until further order from this Court and under the form and conditions to be directed by the Court.

The sale to be conducted by the appointed Special Master shall be subject to the confirmation of the Court, and the purchaser or purchasers of the property shall be entitled to receive its possession. The minimum bid to be accepted at the first public

sale in accordance with the mortgage deed is \$116,100.00.

Any funds derived from the sale to be conducted in accordance with the terms of this judgment and such further orders of the Court shall be applied as follows:

- a. To the payment of all proper expenses attendant upon the sale, including the expenses, outlays and compensation of the Special Master, after the compensation and expenses shall have been fixed and approved by the Court, all expenses shall be deducted from the sum provided in the deed of mortgage for costs, charges and disbursements, expenses and attorney's fees.
- b. To the payment of all expenses or advances made by plaintiff.
- c. To the payment to plaintiff of the amounts due as of February 5, 2016, a total outstanding principal balance in the amount of \$92,881.11 accrued annual interests in 6.375%, monthly late charges from the 1st day of July, 2015 until full payment, plus mortgage and risk insurance premiums, late fees and any other amount expressly agreed-upon in the mortgage deed, from the date stated above until full payment thereof, plus 10% for attorneys' fees and legal costs in the amount of \$11,610.00.
- d. If after making all those payments there is a surplus, it shall be delivered to the Clerk of the Court, subject to further orders of the Court.

- e. If after making all those payments there is a deficiency, plaintiff may seek further orders of the Court to collect the deficiency from defendants.

Plaintiff in these proceedings may apply to the Court for such further orders, as it may deem advisable to its interests, in accordance with the terms of this judgment.

SO ORDERED AND ADJUDGED.

San Juan, Puerto Rico, this 31st day of May 2017.

/s/ Aida M. Delgado-Colón
United States District Judge

**ORDER OF THE UNITED STATES
COURT OF APPEALS FOR THE FIRST
CIRCUIT DENYING PETITION FOR
REHEARING EN BANC
(SEPTEMBER 2, 2022)**

UNITED STATES COURT OF APPEALS
FOR THE FIRST CIRCUIT

ROOSEVELT REO PR CORPORATION,

Plaintiff-Appellee,

ROOSEVELT CAYMAN ASSET COMPANY,

Plaintiff,

v.

VIRGINIA SILVA-NAVARRO,

Defendant-Appellant,

MILTON SILVA-NAVARRO; ISABEL
LUGO-VELEZ; CONJUGAL PARTNERSHIP
SILVA-LUGO; UNITED STATES,

Defendants.

No. 20-1442

Before: BARRON, Chief Judge., LYNCH, HOWARD
and THOMPSON, KAYATTA and GELPÍ,
Circuit Judges.

The petition for rehearing having been denied by the panel of judges who decided the case, and the petition for rehearing en banc having been submitted to the active judges of this court and a majority of the judges not having voted that the case be heard en banc, it is ordered that the petition for rehearing and petition for rehearing en banc be denied.

By the Court:

/s/ Maria R. Hamilton
Clerk

cc:

Maximiliano Trujillo-Gonzalez

Mariana E. Bauza Almonte

Reggie Diaz-Hernandez

Jose Juan Sanchez-Velez

CERTIFICATE OF GOOD STANDING
(JULY 11, 2017)

IT-289730

TO WHOM IT MAY CONCERN

I DO HEREBY CERTIFY that

Roosevelt Cayman Asset Company

a company duly organized and existing under and by virtue of the Laws of the Cayman Islands is at the date of this certificate in Good Standing with the office, and duly authorized to exercise therein all the powers vested in the company.

Given under my hand and Seal at George Town
in the Island of Grand Cayman this 11th day of July
Two Thousand Seventeen

{signature not legible}

An Authorised Officer,
Registry of Companies,
Cayman Islands.



Authorisation Code:
486122471221
www.verify.gov.ky
11 July 2017

IT-289730

Certificate Of Good Standing

TO WHOM IT MAY CONCERN



Roosevelt Cayman Asset Company

a company duly organized and existing under and by virtue of the Laws of The Cayman Islands is at the date of this certificate in Good Standing with the office, and duly authorized to exercise therein all the powers vested in the company.

*Given under my hand and Seal at George Town in the
Island of Grand Cayman this 11th day of July
Two Thousand Seventeen*



An Authorised Officer,
Registry of Companies,
Cayman Islands.

Authorisation Code : 488122471221
www.cayman.gov.ky
11 July 2017

CERTIFICATE OF INCORPORATION
(JULY 10, 2014)

IT-289730

I, JOY A. RANKINE Assistant Registrar of Companies of the Cayman Islands DO HEREBY CERTIFY, pursuant to the Companies Law CAP. 22, that all requirements of the said Law in respect of registration were complied with by

Roosevelt Cayman Asset Company

an Exempted Company incorporated in the Cayman Islands with Limited Liability with effect from the 10th day of July Two Thousand Fourteen

Given under my hand and Seal at George Town in the Island of Grand Cayman this 10th day of July Two Thousand Fourteen



/s/ Joy A. Rankine
Assistant Registrar of Companies,
Cayman Islands.

Authorisation Code:
117460239967
www.verify.gov.ky
11 July 2017

IT-289730

Certificate Of Incorporation

I, **JOY A. RANKINE** Assistant Registrar of Companies of the Cayman Islands
DO HEREBY CERTIFY, pursuant to the Companies Law CAP. 22, that all requirements of the said
Law in respect of registration were complied with by

Roosevelt Cayman Asset Company

an Exempted Company, incorporated in the Cayman Islands with Limited Liability with effect from the
10th day of July Two Thousand Fourteen

Given under my hand and Seal at George Town in the
Island of Grand Cayman this 10th day of July
Two Thousand Fourteen



A handwritten signature in black ink, appearing to read "Joy A. Rankine".

Assistant Registrar of Companies,
Cayman Islands.

**DEED OF MORTGAGE
NO. THREE HUNDRED EIGHTY FIVE
(SEPTEMBER 30, 2003)**

**FIRST MORTGAGE
PRIMERA HIPOTECA**

In the City of San Juan, Puerto Rico, this THIRTY (30) day of SEPTEMBER OF THE YEAR TWO THOUSAND THREE (2003)

BEFORE ME

PABLO F. JIMENEZ MELENDEZ, a Notary Public in Puerto Rico, with residence in the City of SAN JUAN Puerto Rico and offices located at SAN JUAN, Puerto Rico.

APPEAR

The person(s) mentioned in paragraph SEVENTH hereof (herein "Borrower").

I, the Notary, hereby certify that I know the appearing parties herein and through their statements as to their ages, civil status, occupations and residences. They assure me that they have and in my judgment they do have the necessary legal capacity to execute this deed; whereof they freely

STATE AND COVENANT

FIRST: That Borrower is owner of the property described in paragraph FIFTH hereof (herein "Property") and has the right to mortgage said Property,

that the Property is unencumbered, and that Borrower will warrant and defend the title to said Property against all claims and demands. Subject to any declarations, easements or restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring the interest in the property of the Lender mentioned in paragraph EIGHTH hereof (herein "Lender").

SECOND: That Borrower is indebted to Lender in the principal sum of ONE HUNDRED SIXTEEN THOUSAND ONE HUNDRED DOLLARD (\$116, 100.00) with interest thereon at the rate of SIX AND THREE EIGHT percent (%) per annum, which indebtedness is evidenced by a certain note payable to Lender, or to its order, dated SEPTEMBER THIRTY (30) OF THE YEAR TWO THOUSAND THREE (2003) (herein "Note") providing for monthly installments of principal and interest with the balance of the indebtedness. if not sooner paid, due and payable on THE FIRST (1st) DAY OF OCTOBER OF THE YEAR TWO THOUSAND THIRTY-THREE (2033).

THIRD: To secure to Lender or to the holder by endorsement of the note (a) the repayment of the indebtedness evidenced by the Note, with interest thereon, (b) the performance of the covenants and agreements of Borrower herein contained, (c) an amount of ten percent of the original principal amount of the Note to cover costs, expenses and attorney's fees in the event the holder of the Note is required to foreclose this Mortgage or seek judicial collection, or collection in ant proceeding in bankruptcy of the Borrower, which amount shall be considered liquid and payable by the sole act of filing the complaint and shall be in addition to the principal amount of the

Note, (d) an amount of ten percent of the original principal amount of the Note to cover any other advances which may be made under this Mortgage and (e) an amount of ten percent of the original principal amount of the Note to Cover interest in addition to that secured by law. Borrower does hereby create a voluntary first mortgage on the Property. In the event this Mortgage is not recorded at the Registry with the agreed rank, the same shall constitute a default hereunder entitling Lender to the remedies provided in paragraph 18 hereof.

FOURTH: Borrower and Lender further covenant and agree as follows:

1. Payment of Principal and Interest. Borrower shall promptly pay when due the principal of and interest on the indebtedness evidenced by the Note, prepayment and late charges as provided in the Note.

2. Funds for Taxes and Insurance. Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly installments of principal and interest are payable under the Note, until the Note is paid in full, a sum (herein "Funds") equal to one-twelfth of the yearly taxes and assessments which may attain priority over this Mortgage, plus one-twelfth of yearly premium installments of hazard insurance, plus one-twelfth of yearly premium installments for mortgage insurance. if any, all reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof. In addition, if this Mortgage is on a condominium, or any other type of association wherein property is jointly owned or administered and obligations for maintenance thereon arise in the Borrower, the Borrower, at Lender's option,

shall pay to Lender at the time herein provided, one-twelfth of the annual maintenance charges, and shall immediately pay to Lender all special assessments made. The Funds shall be held in an institution the deposits or accounts of which are insured by a Federal agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay said taxes, assessments, insurance premiums, maintenance fees, special assessments. Lender may not charge for so holding and applying the Funds, analyzing said account, or verifying and compiling said assessments and bills unless Lender pays Borrower interest on the Funds and Applicable law permits Lender to make such a charge. Borrower and Lender may agree in writing at the time of execution of this Mortgage that interest on the Funds Shall be paid to Borrower, and unless such agreement is made or applicable law requires such interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for the sums secured by this Mortgage.

If the amount of the Funds held by Lender, together with the future monthly installments of Funds Payable prior to the due dates of taxes, assessments, insurance premiums and maintenance charges, shall exceed the amount required to pay said taxes, assessments, insurance premiums and maintenance charges as they fall due, such excess shall be at Borrower's option, either promptly repaid to Borrower or credited to Borrower on Monthly

installments of Funds. If the amount of the Funds held by Lender shall not be sufficient to pay taxes, assessments, maintenance premiums, maintenance fees and special assessments as they fall due, Borrower shall pay to Lender any amount necessary to make up the deficiency within thirty (30) days from the date notice is mailed by Lender to Borrower requesting payment thereof.

Upon payment in full of all sums secured by this Mortgage, Lender shall promptly refund to Borrower any Funds held by Lender. If under paragraph 18 hereof the Property is sold or the Property is otherwise acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the property or its acquisition by Lender, any funds held by Lender at the time of application as a credit against the sums secured by this Mortgage.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under the Note and Paragraphs 1 and 2 hereof shall be applied by Lender first in payments of amounts payable to Lender by Borrower under Paragraph 2 hereof, then to interest payable on the Note and then to the principal of the Note.

4. Charges; Liens. Borrower shall pay all taxes, assessments and other charges, fines and impositions attributes to the property which may attain a priority over this Mortgage, if any, in the manner provided under paragraph 2 hereof if, if not paid in such manner, by Borrower making payment. When due, directly to the payee thereof. Borrower shall promptly furnish to Lender all notices of amounts due made under this paragraph and in the event Borrower shall make payment directly. Borrower shall promptly

furnish to lender receipts evidencing such payments. Borrower shall promptly discharge any lien which has priority over this Mortgages provided, that Borrower shall not be required to discharge any such lien so long as Borrower shall agree in writing to the payment of the obligation secured by such lien in a manner acceptable to Lender, or shall in good faith contest such lien by, or defend enforcement of such lien in legal proceedings which operate to prevent the enforcement of the lien or forfeiture if the property or any part thereof.

5. Hazard Insurance. Borrower shall keep the improvements now existing or hereafter erected on the property insured against loss by fire, hazards included within the term "extended coverage", and such other hazards as Lender may require, and such amounts and for such periods as Lender may require; provided, that Lender shall not require that the amount of such coverage exceed that amount of coverage required to pat the sums secured by this Mortgage.

The insurance carrier providing the insurance shall be chosen by Borrower subject to approval by Lender; provided, that such approval shall not be unreasonably withheld. All premiums on insurance policies shall be paid in the manner provided under paragraph 2 thereof or, if not paid in such manner, by Borrower making payment when due directly to the insurance carrier.

All insurance policies and renewals thereof shall be in form acceptable to Lender and shall include a standard mortgage clause in favor or and in form acceptable to Lender. Lender shall have the right to hold the policies and renewals thereof and Borrower shall promptly furnish to Lender all renewal notices

and all receipts of paid premiums. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender, and Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing insurance proceeds shall be applied to restoration or repair of the property damaged, provided such restoration or repair is economically feasible and the security of this Mortgage is not thereby impaired. If such restoration or repair is not economically feasible or if the security of this Mortgage would be impaired the insurance proceeds shall be applied to the same secured by the Mortgage, with the excess, if any, paid to Borrower. If the Property is abandoned by Borrower or if Borrower fails to respond to Lender within thirty (30) days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply the insurance proceeds at Lender's option either to restoration or repair of the property or to the sums secured by this Mortgage.

Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in paragraphs 1 and 2 hereof or change the amount of such installments.

If under paragraph 18 hereof the Property is acquired by Lender, all right, title and interest of Borrower in and to any insurance policies and in and to the proceeds thereof resulting from damage to the Property prior to the sale or acquisitions shall pass to Lender to the extent of the sums secured by this Mortgage immediately prior to such sale or acquisition.

6. Preservation and Maintenance of Properly; Condominiums; Planned Unit Developments. Borrower shall keep the property in good repair and shall not commit waste or permit impairment or deterioration of the Property. If this Mortgage is on a unit in a condominium or a planned unit development, or if Borrower is a member of any other type of association wherein property is jointly owned or administered and obligations for maintenance thereof arise in the Borrower. Borrower shall perform all the Borrower's obligations under the declaration or covenants creating or governing the condominium or planned unit development, the by-laws and regulations of the condominium or planned development, and constituent documents, or arising from Borrower's membership in such association.

7. Protection of Lender's Security. If Borrower fails to perform the covenants and agreements contained in this Mortgage, or if any action or proceeding is commenced which materially affects Lender's Interest in the Property, including, but not limited to, eminent domain, insolvency enforcement of regulations of the Planning Board of Puerto Rico or arrangements or proceedings involving a bankrupt or decedent, then Lender at Lender's option, upon notice to Borrower, may make such appearances, disburse such sums and take such action as is necessary to protect Lender's interest, including, but not limited to disbursement of reasonable attorney's fees and entry upon the Property to make repairs.

If Lender required mortgage insurance as a condition of making the loan secured by this Mortgage. Borrower shall pay the premiums required to maintain

such insurance in effect until such time as the requirement for such insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law. Borrower shall pay the amount of all mortgage insurance premium in the manner provided under paragraph 2 hereof.

Any amount disbursed by Lender pursuant to this paragraph 7, with interest thereon shall become additional indebtedness of Borrower secured by this Mortgage. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting thereof, and shall bear interest from the date of disbursement at the rate payable from time to time on outstanding principal under the Note unless payment of interest at such rate would be contrary to applicable law in which event such amounts shall bear interest at the highest rate permissible under applicable law. Nothing contained in this paragraph 7 shall require Lender to incur any expense or take any action hereunder.

8. Inspection. Lender may make or cause to be made reasonable entries upon and inspections of the Property provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefor related to Lender's interest in the Property.

9. Condemnation. The proceeds of any award or claim for damages. Direct or consequential in connection with any Condemnation or other taking of the property or part thereof, or for conveyance in lieu of Condemnation are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall applied to the sums secured by this Mortgage with the excess, if any, paid to Borrower. In the event of a partial taking of the Property unless Borrower and Lender otherwise agree in writing there shall be applied to the sums secured by this Mortgage such proportion of the proceeds as is equal to that proportion which the amount of the sums secured by this Mortgage immediately prior to the date of taking bears to the fair market value of the Property immediately prior to the date of taking, with the balance of the proceeds paid to Borrower.

If the Property is abandoned by Borrower or if, after notice by Lender to Borrower that the condemned offers to make an award or settle a claim for damages. Borrower fails to respond to Lender within thirty (30) days of the date such notice is mailed, Lender is authorized to collect and apply the proceeds at Lender's option either to restoration or repair of the Property or to the sums secured by this Mortgage.

Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in paragraphs 1 and 2 hereof or change the amount of such installments.

10. Borrower Not Released. Extension of the time for payment or modification of amortization of the sums secured by this Mortgage granted by Lender to any successor in interest of Borrower shall not be a novation of this Mortgage nor operate to release, in any manner, the liability of the original Borrower and Borrower's successors in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or

otherwise modify amortization of the sums secured by this Mortgage by reason of any demand made by the original Borrower and Borrower's successors in interest.

11. Forbearance by Lender Not a Waiver. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any right or remedy. The procurement of Insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the Indebtedness secured by this Mortgage.

12. Remedies Cumulative. All remedies provided in this Mortgage are distinct and cumulative to any other right or remedy under this Mortgage or afforded by law or equity, and may be exercised concurrently, Independently or successively.

13. Successors and Assigns Bound; Joint and Several Liability; Captions. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower, subject to the provisions of paragraph 17 hereof. All covenants and agreements of Borrower shall be joint and several. The captions and headings of the paragraphs of this Mortgage are for convenience only and are not to be used to interpret or define the provisions hereof.

14. Notice. Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Mortgage shall be given by mailing such notice by certified mail addressed to Borrower at the Properly Address or at

such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by certified mail, return receipt requested, to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

15. Uniform Mortgage; Governing Law; Severability. This form of mortgage was developed from mortgage instruments prepared for use throughout the United States of America with limited variations by jurisdiction to constitute a uniform security instrument covering real property. This Mortgage shall be governed by the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note which can be given effect without the conflicting provision, and to this end the provisions of the Mortgage and the Note are declared to be severable.

16. Borrower's Copy. Borrower shall be furnished a conformed copy of the Note and of this Mortgage within seven (7) days of the date of execution hereof.

17. Transfer of the Property; Assumption. If all or any part of the Property or an interest therein is sold or transferred by Borrower without Lender's prior written consent, excluding (a) the creation of a lien or encumbrance subordinate to this Mortgage, (b) the creation of a purchase money security interest for household appliances, (c) a transfer by devise or descent or (d) the grant of any leasehold Interest of

three years or less not containing an option to purchase, Lender may, at Lender's option, declare all the sums secured by this Mortgage to be immediately due and payable. Lender shall have waived such option to accelerate if, prior to the sale or transfer, Lender and the person to whom the Property is to be sold or transferred reach agreement in writing that the credit of such person is satisfactory to Lender and that the interest payable on the sums secured by this Mortgage shall be at such rate as Lender shall request. The waiver of the option to accelerate provided in this paragraph 17 by Lender shall not be interpreted as a release from Borrower's obligations under this Mortgage and the Note.

If Lender exercises such option to accelerate, Lender shall mail Borrower notice of acceleration in accordance with paragraph 14 hereof. Such notice shall provide a period of not less than thirty (30) days from the date the notice is mailed within which Borrower may pay the sums declared due. If Borrower fails to pay such sums prior to the expiration of such period, Lender may, without further notice or demand on Borrower, invoke any remedies permitted by paragraph 18 hereof.

18. Acceleration; Remedies. Except as provided in paragraph 17 hereof, upon Borrower's breach of any covenant or agreement of Borrower in this Mortgage, including the covenants to pay when due any sums secured by this Mortgage, Lender prior to acceleration shall mail notice to Borrower as provided in paragraph 14 hereof specifying: (1) the breach; (2) the action required to cure such breach; (3) a date not less than thirty (30) days from the date the notice is mailed to Borrower by which such breach must be cured; and

(4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage foreclosure by judicial proceeding and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to assert the non-existence of a default or any other defense or Borrower to acceleration and foreclosure in the foreclosure proceeding. If the breach is not cured on or before the date specified in the notice, Lender at Lender's option may declare all of the sums secured by this Mortgage to be immediately due and payable without further demand and may foreclose this Mortgage by judicial proceeding. Lender shall be entitled to collect in such proceeding all expenses of foreclosure, including but not limited to attorney's fees, and costs of documentary evidence, abstracts and title reports.

19. Borrower's Right to Reinstate. Notwithstanding Lender's acceleration of the sums secured by this Mortgage. Borrower shall have the right to have any proceedings begun by Lender to enforce this Mortgage discontinued at any time prior to entry of judgment enforcing this Mortgage if: (a) Borrower pays Lender all sums which would be then due under this Mortgage and the Note including advances, if any, had no acceleration occurred; (b) Borrower cured all breaches of any other covenants or agreements of Borrower contained in this Mortgage; (c) Borrower pays all reasonable expenses incurred by Lender in enforcing the covenants and agreements of Borrower contained in this Mortgage and in enforcing Lender's remedies as provided in paragraph 18 hereof, including but not limited to attorney's fees; (d) Borrower takes such action as Lender may reasonably require to assure

that the lien of this Mortgage Lender's interest in the Property and Borrower's obligation to pay the sums secured by this Mortgage shall continue unimpaired. Upon such payment and cure by Borrower, this Mortgage and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

20. Assignment of Rents; Appointment of Receiver. As additional security hereunder. Borrower hereby assigns to Lender the rents of the Property provided that Borrower shall, prior to acceleration under paragraph 18 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

Upon acceleration under paragraph under 18 hereof or abandonment of the Property, Lender shall be entitled to have a receiver appointment by a court to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. All rents collected by the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to receiver's fees, premiums on receiver's bonds and attorney's fees, and then to the sums secured by this Mortgage. The receiver shall be liable to account only for those rents actually received.

21. Release. Upon payment of all sums secured by this Mortgage, Lender shall release and cancel this Mortgage at Borrower's expense, or, at Borrower's option, endorse the Note "for cancellation only" without charge to Borrower.

FIFTH: The Property.

The description of the mortgaged Property is:

URBANA: Apartamento residencial número Ochocientos Veintiuno (821) de forma irregular, constituido por un (1) nivel, localizado en la segunda planta del modulo ocho (8) del Condominio La Floresta que esta situado en el Barrio Juan Sanchez del termino municipal de Bayamon, Puerto Rico

Consta de un nivel, siendo sus linderos los siguientes:

POR EL NORTE: Con el apartamento numero ochocientos veintidos (822) area comun y espacio exterior, en una distancia de en una distancia de catorce punto setenta y un metros lineales (14.71 m.l.).

POR EL SUR: Con espacio exterior, en una distancia de trece punto dieciseis metros lineales (13.16 m.l.).

POR EL ESTE: Con area comun y espacio exterior, en una distancia de nueve punto cincuenta y cinco metros lineales (9.55 m.l.).

POR EL OESTE: Con espacio exterior, en una distancia de nueve punto cincuenta y cinco metros lineales (9.55 m.l.).

Consola el mismo de tres habitaciones con sus respectivos “closets”, una sala-comedor, cocina, dos (2) banes, area de almacenar, “laundry” y terraza. Los banos estan equipados con banera, lavamanos y servicio sanitario. Se incluye bidet en el bano del cuarto principal.

El area total del apartamento es de CIENTO NUEVE PUNTO CINCUENTA Y TRES METROS CUADRADOS (109.53 m.c.).

La puerta de entrada de este apartamento esta situada en su lindero NORTE y por ella se sale a la escalera y al area de circulacion del proyecto.

Este apartamento tiene una participacion de CERO PUNTO CINCO UNO CUATRO CINCO PORCIENTO (0.5145%), en los elementos comunes generales del condominio

Le corresponde como elemento comun limitado los estacionamientos identificados con los numeros noventa y nueve (99) y cien (100)

together with all the structures, improvements now or hereafter erected on the Property and all easements, rights, appurtenances and rents, and all fixtures now and hereafter attached to the Property, all of which, including replacements and additions thereto shall be deemed to be and remain a part of the Property covered by this Mortgage.

The property is recorded at

Pendiente de Inscripción

SIXTH: Value of the Property.

Pursuant to the provisions of the Mortgage and Properly Registry Act of Puerto Rico. Lender and Borrower value the Property at an amount equal to the original principal amount of the Note secured by this Mortgage which value shall serve as lowest bid at the first auction in the event of foreclosure.

SEVENTH: Appearing Parties ("Borrower")

VIRGINIA SILVA NAVARRO social security number 582-71-5786 of legal age, single, property owner and resident of Bayamon, Puerto Rico; and MILTON SILVA NAVARRO social security number

581-63-6658, e ISABEL LUGO VELEZ, social security number, 584-15-1850, both of legal age, married to each other, property owner and resident of Bayamon, Puerto Rico.

I, the Notary hereby certify that not being personally acquainted with the borrower I have identified all in accordance to the Notarial Law by all Puerto Rico Driver's License which containing all signatures and photographs.

EIGHTH: Lender. The Lender is _____

and the Lender's address is _____

DORAL BANK, a banking institution organized and existing under the Laws of the Commonwealth of Puerto Rico, with offices in San Juan, Puerto Rico, employer identification number "66-038-7312" represented by MARIA SOCORRO GENES QUESADA, seguro social numero "583-60-1178", of legal age, single, property owner and resident of Bayamon, Puerto Rico, who has the authority to appear in this deed in accordance with the Corporate Resolution dated October eight (8) of the nineteen hundred ninety seven (1997), sworn before, Notary Public Miguel Garcia Suarez, to me the Notary Public known

NINTH: Waiver of Homestead Rights

Borrower hereby waives, in favor of the Lender, to the fullest extent allowed by law. All homestead and similar rights conferred upon Borrower by any law, including, without limitations, the provisions of the Puerto Rico Right of Homestead (31 L.P.R.A. §§ 1851-1857).

TENTH: Property Address. The Properly Address shall be the Address stated in the Note as the Property Address.

ACCEPTANCE

The appearing parties accept this Deed in its entirety and I, the Notary, made to the appearing parties the necessary legal warnings concerning the execution of the same. I, the Notary, advised the appearing parties as to their right to have witness present at this execution, which right they waived. The appearing parties having read this Deed in its entirety, fully ratify and confirm the statements contained herein as the true and exact embodiment of their stipulations, terms and conditions. Whereupon the appearing parties signed this Deed, before me the Notary, and signed their initials on each and every page of this Deed.

I the Notary, do hereby certify as to everything stated or contained in this instrument.

I the Notary, DO HEREBY ATTEST.

SALVEDAD: En este estado del otorgamiento, se aclara, que la Ley que requiere que se fije un valor minimo que sirva de base para la Primera Subasta en caso de ejecucion, y la cual se menciona precedentemente, fue sustituida por la Ley llipotecaria y del Registro de la Propiedad de 1979. REPITO LA FE.

At this stage of the execution it is hereby stated that the office address of the undersigned Notary Public is: F.D. Roosevelt Avenue, Number One Hundred Thirty-Two (132), Suite Three Dash B (3-B), San Juan, Puerto Rico. I, the Notary, FURTHER ATTEST

/s/ Pablo Jimenez Melendez

Puerto Rico

Abogado Notario

CERTIFICATION: I hereby certify that this is a duplicate copy of the Executed Mortgage Deed that was presented for recordation.

/s/ Pablo Jimenez Melendez

Notary Public

---I, the Notary, DO HEREBY ATTEST.-----
 ---Yo, el Notario, DOY FE.-----

---SALVEDAD: En este estado del otorgamiento, se----
 aclara, que la Ley que requiere que se fije un valor----
 mínimo que sirva de base para la Primera Subasta en caso-
 de ejecución, y la cual se menciona precedentemente, fue-
 sustituida por la Ley Hipotecaria y del Registro de la---
 Propiedad de 1979. REPITO LA FE.-----

--At this stage of the execution it is hereby stated that the
 office address of the undersigned Notary Public is: P.D.---
 Roosevelt Avenue, Number One Hundred Thirty Two ----
 (132), Suite Three Dash B (3-B), San Juan, Puerto ---
 Rico. I, the Notary, FURTHER ATTEST.-----

US
 P.S.N.
 D.H.V.
 D.

[Handwritten signatures]
 Pablo Jimenez Melendez
 Notario

CERTIFICATION: I HEREBY CERTIFY THAT THIS IS
 A DUPLICATE COPY OF THE EXECUTED MORTGAGE DEED
 THAT WAS PRESENTED FOR RECORDATION.-----

[Signature]
 NOTARY PUBLIC



**DEED OF CONVEYANCE
NO. ONE HUNDRED THIRTY EIGHT (138)
(MARCH 15, 2022)**

In San Juan, Puerto Rico, on this fifteenth (15th) day of March, two thousand twenty two (2022).

BEFORE ME

YOLANDA IDALI MARTÍNEZ DELGADO,
Attorney-at-Law and Notary Public in and for the
Commonwealth of Puerto Rico, with offices and residence
in Trujillo Alto, Puerto Rico.

APPEAR



AS PARTY OF THE FIRST PART: FORTALEZA EQUITY PARTNERS I, LLC, an entity organized and existing under the laws of the Commonwealth of Puerto Rico (hereinafter referred to as “FORTALEZA EQUITY”), represented in this act by Reggie Diaz Hernández, of legal age, married, attorney and resident of Guaynabo, Puerto Rico, whose powers to appear herein are evidenced by means of a Certificate of Resolution executed on the twenty fifth (25th) day of January, two thousand twenty two (2022), before Notary Carlos O. Bermúdez Monroig. In compliance with Articles ten (10) and two hundred and twenty-nine (229) of Act Two Hundred Ten (210) of the eighth (8th) day of December two thousand fifteen (2015), known as the “Real Property Registry Law”, I give faith of having before me the aforementioned Certificate of Resolution, and I attest that it complies with all requirements and formalities required by law.

AS PARTY OF THE SECOND PART: FORTALEZA EQUITY PARTNERS REO I, LLC, a limited liability

company duly organized and existing under the laws of the State of Delaware, and duly authorized to do business in the Commonwealth of Puerto Rico (hereinafter referred to as “FORTALEZA REO”), represented in this act by Reggie Diaz Hernandez, of legal age, married, attorney and resident of Guaynabo, Puerto Rico, whose powers to appear herein are evidenced by means of: (i) a “Written Consent of the Members and Manager” executed in Rutland, State of Vermont, on Much, tenth (10th), two thousand twenty two (2022) by Lawrence Cutler as authorized representative of AI-Fortaleza Reo Agg, LLC and Arena SPV Manager, LLC, before Notary Public Duane Downs. The authority of said Notary Public was authenticated by a search in the system of the Department of State of the State of Vermont. And (ii) a “Written Consent of the Members and Manager” executed in the State of New Jersey, on February ten (10), two thousand twenty two (2022) by Thomas J. Axon, Jr in his capacity as Manager of Axon Group, LLC, before Notary Public Alexander Fairfield. The authority of said Notary Public was authenticated by a search in the system of the Department of State of the State of New Jersey.

In compliance with Articles ten (10) and two hundred and twenty-nine (229) of Act Two Hundred Ten (210) of the eighth (8th) day of December two thousand fifteen (2015), known as the “Real Property Registry Law”, I give faith of having before me the aforementioned written consents, and I attest that they comply with all requirements and formalities required by law.

I, the Notary, do hereby certify and give faith that I am personally acquainted with the persons

representing the appearing parties, and from their statements and my belief, I also attest as to their age, civil status, profession, and residences. They assure me that they have, and in my judgment, they do have the necessary legal authority, capacity, and personal qualifications to execute this instrument, and for such purpose they freely.

STATE

FIRST: That FORTALEZA EQUITY owns the property described in the Spanish Language as follows (the “Property”):

“URBANA: PROPIEDAD HORIZONTAL: Apartamento residencial número ochocientos veintiuno (821) de forma irregular, constituido por un nivel, localizado en la segunda planta del Módulo número ocho (8) del CONDOMINIO LA FLORESTA, que está situado en el Barrio Minillas del término municipal de Bayamón, Puerto Rico. Consta de un nivel, siendo sus linderos los siguientes: por el Norte, con el apartamento numero ochocientos veintidós (822), área común y espacio exterior, en una distancia de catorce punto setenta y uno (14.71) metros lineales; por el Sur, con espacio exterior, en una distancia de trece punto dieciséis (13.16) metros lineales; por el Este, con área común y espacio exterior, en una distancia de nueve punto cincuenta y cinco (9.55) metros lineales; y por el Oeste, con espacio exterior, en una distancia de nueve punto cincuenta y cinco (9.55) metros lineales. Consta el mismo de tres (3) habitaciones con sus respectivos closets, una sala-comedor, cocina, dos (2) banós, área de almacenar, “*laundry*” y terraza. Los banós están

equipados con bañera, lavamanos y servicio sanitario. Se incluye “*bidet*” en el baño del cuarto principal. El área total del apartamento es de ciento nueve punto cincuenta y tres (109.53) metros cuadrados. La puerta de entrada de este apartamento está situada en su lindero *Norte* y por ella se sale a la escalera y al área de circulación del proyecto. Este apartamento tiene una participación de cero punto cinco mil ciento cuarenta y cinco por ciento (0.5145%) en los elementos comunes generales del Condominio. Le corresponde como elemento exclusivo los estacionamientos identificados con los números noventa y nueve (99) y cien (100).”

Recorded at Karibe system of Bayamon Sur, property number seventy seven thousand five hundred sixty eight (77,568), in the Registry of Property of Bayamon, First Section (“The Registry”).

FORTALEZA EQUITY hereby states that, to its knowledge, the tax identification number assigned to the Property by the Municipal Collection Revenue Center (“CRIM” by its Spanish acronym) as it appears in the CRIM’s records is: “113-027-293-29-073”.

SECOND: That the above described property was acquired by FORTALEZA EQUITY by virtue of Deed number thirty (30) executed on the twenty-fifth (25th) day of January, two thousand twenty two (2022) before Notary Public Roberto Andrés García Juarbe, filed in the Registry at Entry “2022-009578- BY01”.

LINES AND ENCUMBRANCES

THIRD: The Property is subject to the following liens and encumbrances and more specifically described in the Spanish Language as follows:

By its origin: easements and restrictive covenants on use and edification.

By itself: Mortgage securing a Note in favor of Apex Bank, or its order, for the principal amount of TWO MILLION THREE HUNDRED FIFTY TWO THOUSAND TWO HUNDRED TWO DOLLARS AND TEN CENTS (\$2,352,202.10), responding the Property for the sum of SIXTY SIX THOUSAND FIVE HUNDRED DOLLARS (\$66,500.00), bearing interests at one point five per cent (1.5%) over the annual Prime Rate, and due at its presentation, pursuant to deed number thirty nine (39), executed on the twenty fifth (25th) day of January, two thousand twenty two (2022) before Notary Public Roberto Andrés García Juarbe, filed in the Registry at Entry “2022-009583-BY01”. This Mortgage will be partially cancelled regarding the Property and a third party will execute and file for recordation the corresponding deed of partial cancellation of the Note and release the Property from the mortgage referred to herein.

CONVEYANCE

FOURTH: Representations and Warranties of FORTALEZA EQUITY. FORTALEZA EQUITY represents, warrants and agrees as follows:

One: That it has good and marketable fee simple (“pleno dominio”) title to the Property, susceptible of recordation in favor of FORTALEZA REO without any defect of any

kind, free and clear of all liens, claims, exceptions, encumbrances, tenancies, limitations and rights of third parties.

FIFTH:

- (a) Condition of the Property. FORTALEZA REO acquires the Property “as is, where is”.
- (b) Conveyance. FORTALEZA EQUITY hereby transfers and conveys to FORTALEZA REO the Property described in Paragraph FIRST of this Deed, together with all its rights, easements, servitudes and appurtenances thereto without any limitations or reservations whatsoever for a lump sum transfer price of SIXTY SIX THOUSAND FIVE HUNDRED DOLLARS (\$66,500.00), which FORTALEZA EQUITY acknowledges receipt in full.
- (c) Special Note to Registrar on the Price. The parties hereto state that any reduction in the value of the Property in comparison with prior values reflected in the Registry’s books is the result of the current conditions of the deteriorated real estate market in Puerto Rico; moreover, the parties hereto state that based on the information available to them, the market value of the Property may be even lower than the appraised value. In light of the above, appearing parties declare that said reduced price shall not be considered a donation, as it is not the intention of the parties.

SIXTH: The authorizing notary public has advised FORTALEZA REO that it is FORTALEZA REO’s duty to make the appropriate filing of change of ownership

at the CRIM. The parties acknowledge having been advised by the authorizing notary public on the desirability of obtaining a debt certification from the CRIM as to outstanding real estate taxes.

SEVENTH: The authorizing notary public has advised the appearing parties that the title study used to prepare this deed was prepared by an independent agent and has advised them of the desirability of confirming the status of the title, liens and encumbrances through a certification issued by the Registry, or by direct examination of the Registry books, and that neither the examination of the Registry nor the aforesaid certification, preclude the possibility of charges being recorded subsequent to the date of such examination or certification.

EIGHTH: The authorizing notary public advises the appearing parties that should the Property be located in a flood-prone zone, any owner and/or occupant of the same is required by law to observe and comply with the requirements and provisions of the Puerto Rico Regulation on flood-prone Zones. The parties acknowledge being advised of this requirement and commit to comply therewith if applicable.

NINTH: The Notary warns the appearing parties that every purchaser of any interest in residential real property on which a residential dwelling was built prior to nineteen seventy-eight (1978) is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant

women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

The appearing parties accept that they have been advised of this warning, they understand the legal responsibilities arising therefrom, and they bind themselves to comply with such dues and responsibilities, in the event this situation may apply to them.

ACCEPTANCE AND WARNINGS

The appearing parties accept this instrument in all of its parts, as they find the same drafted in accordance with their instructions and I, the Notary Public, do hereby CERTIFY that I have advised them about the relevant legal warnings, and specifically about: (a) the importance of making the necessary arrangements relating to property tax aspects of the transaction, (b) that the title study used to prepare this deed was prepared by an independent third party and not by the authorizing Notary, and the desirability of confirming the status of any and all liens and encumbrances through a certification issued by the Property Registry, or by direct examination of the Registry books, and that neither the examination of the Registry nor the aforesaid certification, preclude the possibility of charges being recorded subsequent to the date of such examination or certification, (c) the importance of this deed being submitted promptly to the Registry and the consequences of not doing so, and

(d) the importance of determining whether the Property is located in a flood zone, and the obligations of law imposed on properties located in flood-prone areas, (e) of the obligations of the parties to provide to the subscribing Notary Public the information required for the prompt filing of the Informative Return with the Puerto Rico Department of the Treasury. The appearing parties have also been warned by the subscribing Notary Public about the following: (i) the digital system of recordation of the Digital Registry of Immovable Property of the Commonwealth of Puerto Rico provides Access to the Electronic Diary of Daily Operations, the Electronic Book of Recordations, and the Single Book of Liens (“Libro Unico de Embargos”) twenty four (24) hours a day, seven (7) days a week for both inquiries and filings which may affect the registration or rights under this deed; (ii) that said electronic books have been reviewed up to the date of the title search prepared for this transaction; and (iii) that the authorizing Notary Public has not consulted the Registry in any way whatsoever after the date of the aforementioned title search, to all of which the appearing parties hereby give their acceptance and compliance.

READING AND EXECUTION

The appearing parties, having read this deed, after having waived the right which I advised them they had to require presence of attesting witnesses for the execution of this deed, ratify its contents and proceed to place their initials on every page of this instrument and include their corresponding signatures

in its last page. To all of which, as well as to everything contained or related in this Deed, I The Notary, GIVE FAITH.

/s/ Yolanda Idali Martínez Delgado

CERTIFICO: Que se han cancelado y adherido en la escritura original los correspondientes sellos de Rentas Internas y del impuesto notarial con el sello del(a) Notario Autorizante; que en la escritura original aparecen las iniciales de los otorgantes en todos y cada uno de los folios, así como el sello y la rúbrica del(a) Notario Autorizante y las firmas de los otorgantes, así como el sello, signo, firma y rúbrica del(a) Notario Autorizante al final de la misma; Que la que precede es Primera copia fiel y exacta de su original, número Ciento Treinta y ocho (138) que consta de Cinco (5) folios y que obra en el protocolo de Instrumentos Públicos a mi cargo del o en curso, al cual le remito, y la cual expido a solicitud de la parte interesada en San Juan, Puerto Rico, el día Quince (15) de mayo de dos mil veintidos (2022). DOY FE.



4071-06528833



Sello



Yolanda
YOLANDA MARTÍNEZ DELGADO
NOTARIO PÚBLICO





DEPARTAMENTO de JUSTICIA
ESTADO LIBRE ASOCIADO DE PUERTO RICO

**CERTIFICACIÓN DEL NOTARIO QUE PRESENTA DOCUMENTO EN EL REGISTRO DE
LA PROPIEDAD INMOBILIARIA DE PUERTO RICO POR LA VÍA TELEMÁTICA**

Certifico: Que la copia certificada de la escritura/documento 138
(número/tipo de documento) autorizada por Yolanda I. Machuca Dela ^{Del} nombre
del notario/funcionario en 15/mar/2022 (fecha), y que en formato PDF
estoy presentando al Registro de la Propiedad, es una copia fiel y exacta de la copia
certificada de dicha escritura/documento.

En San Juan, Puerto Rico (lugar y fecha),

[Signature]:

(firmado, signado, sellado y rubricado por el notario).

CARLOS O. BECERRA RUIZ MORALES
PUERTO RICO
ABOGADO • NOTARIO

**PURCHASE AND SALE NO. THIRTY(30)
(JANUARY 25, 2022)**

In San Juan, Puerto Rico, January twenty-five (25) two thousand twenty-two (2022).

BEFORE ME, Roberto Andres Garcia Juarbe, Notary Public in and for the Commonwealth of Puerto Rico, with residence and office in Guaynabo, Puerto Rico, APPEAR.

THE SELLER: ROOSEVELT REO PR, CORP, organized and existing under the laws of the United States of America with offices in three hundred one (301) West Bay Street, Jacksonville, Florida three two two zero two (32202), represented in this act by APEX BANK, an entity organized and existing under the Laws of the United States of America, whose address is Four Hundred Thirty (430) Montbrook Lane Knoxville, Tennessee "37919". APEX BANK is duly authorized for this appearance by means of a Power of Attorney granted on January nineteen (19), two thousand twenty-two (2022) by David Powell in his capacity as Vice President of Roosevelt REO PR, Corp, before the Notary Public Sandra Cuellar. The power of attorney was formalized pursuant to the deed of protocolization number three (3) executed on January twenty-four (24), two thousand twenty-two (2022), before the Notary ROBERTO ANDRES GARCIA JUARBE. APEX BANK, is represented in this act by Diego Manuel Mateo Reyes, executive, of legal age, single and resident of San Juan, Puerto Rico, duly authorized for this appearance pursuant to a Power of Attorney granted on December twenty-two (22), two thousand and twenty (2020) by Santiago Cuccarese, in his capacity of Senior Vice President of Apex Bank before the

Notary Public Susana E. Garcia. The legal capacity of said notary was authenticated on December thirty-one (31), two thousand and twenty (2020) by Sherry Witt, Knox County Clerk and Kathy Dailey, Deputy Clerk, both from the State of Tennessee. The Power of Attorney was notarized pursuant to the deed of protocolization of power of attorney number twenty-five (25) granted on February (8) of two thousand twenty-one (2021), before the Notary, Luis Alberto Sifonte Colón. The authorizing notary attests to having had before him the powers of attorney and the deeds of protocolization mentioned above and they comply with the requirements of the law.

THE BUYER: FORTALEZA EQUITY PARTNERS I, LLC, an entity organized and existing under the laws of the Commonwealth of Puerto Rico. FORTALEZA EQUITY PARTNERS I, LLC is represented by REGGIE DIAZ HERNANDEZ, of legal age, married, Attorney and resident of Guaynabo, Puerto Rico, duly authorized for this appearance by means of a Certificate of Resolution, signed by “Thomas J. Axon, Jr.” in his capacity as Board Manager of Fortaleza Equity Partners I, LLC and as Manager of Axon Group, on January twenty-five (25), two thousand twenty-two (2022) before the Notary “Carlos O. Bermudez Monroig”. The authorizing notary attests to having had before him the certificate of resolution mentioned above and it complies with the requirements of the law.

I hereby attest to and certify that I personally know the Seller’s and Buyer’s representatives.

Pursuant to the appearing parties’ statements and my belief, I give faith of their personal circumstances. The appearing parties assure me, that they have, and in my judgment, they do have the legal

capacity to execute this instrument; therefore the appearing parties freely and voluntarily STATE:

FIRST: The seller is the owner of the real Property described as follows (“the Property”);

URBANA: PROPIEDAD HORIZONTAL: Apartamento residencial número ochocientos veintiuno (821) de forma irregular, constituido por un nivel, localizado en la segunda planta del Módulo número ocho (8) del CONDOMINIO LA FLORESTA, que está situado en el Barrio Minillas del término municipal de Bayamón, Puerto Rico. Consta de un nivel, siendo sus linderos los siguientes: por el Norte, con el apartamento número ochocientos veintidós (822), área común y espacio exterior, en una distancia de catorce punto setenta y uno (14.71) metros lineales; por el Sur, con espacio exterior, en una distancia de trece punto dieciséis (13.16) metros lineales; por el Este, con área común y espacio exterior, en una distancia de nueve punto cincuenta y cinco (9.55) metros lineales; y por el Oeste, con espacio exterior, en una distancia de nueve punto cincuenta y cinco (9.55) metros lineales, Consta el mismo de tres (3) habitaciones con sus respectivos closets, una sala-comedor, cocina, dos (2) banós, área de almacenar, “*laundry*” y terraza. Los banós están equipados con bañera, lavamanos y servicio sanitario. Se incluye “*bidet*” en el baño del cuarto principal. El área total del apartamento es de ciento nueve punto cincuenta y tres (109,53) metros cuadrados. La puerta de entrada de está apartamento esta situada en su lindero *Norte* y por ella se sale a la escalera y al área de circulación del proyecto. Este apartamento tiene una participación de cero punto cinco mil ciento cuarenta y cinco por ciento (0.5145%) en los elementos comunes generales del Condominio. Le corresponde como

elemento exclusivo los estacionamientos identificados con los numeros noventa y nueve (99) y cien (100).

Recorded at Karibe system of Bayamon Sur, property number seventy seven thousand five hundred sixty eight (77568), in the Registry of Property of Bayamon, First Section.

PROPERTY TAX IDENTIFICATION NUMBER:
one hundred thirteen dash zero twenty seven dash two hundred ninety three dash twenty nine dash zero seventy three (113-027-293-29-073).

By its origin the Property affected by easements and restrictive conditions on use and building.

SECOND: The seller acquired title to the Property for the sum of seventy seven thousand four hundred dollars (\$77,400.00), pursuant to deed number five hundred fifty five (555) executed on July sixteen (16), two thousand nineteen (2019) before Notary Public Yolanda Idali Martinez Delgado, recorded at Karibe system of Bayamon Sur, fourth (4th) entry of the Registry of Property of Bayamon, First Section.

THIRD: By itself is, the Property is free of liens:

FOURTH: The appearing parties have agreed on the sale of the Property pursuant to the following clauses and conditions:

CLAUSES

One [1]: **THE SELLER** hereby sells, assigns and transfers the Property to **THE BUYER** with all its rights, titles, interests, easements, buildings, improvements and all its components, in order for **THE BUYER** to take possession and enjoy it, as its sole and rightful owner.

Two [2]: THE SELLER hereby sells the Property to THE BUYER for the amount of SIXTY SIX THOUSAND FIVE HUNDRED DOLLARS AND ZERO CENTS (\$66,500.00).

Three [3]: THE SELLER acknowledges receipt of the amount SIXTY SIX THOUSAND FIVE HUNDRED DOLLARS AND ZERO CENTS (\$66,500.00) from THE BUYER in this act, therefore the SELLER acknowledges receipt of the full payment of the purchase price.

The parties wish to clarify that the purchase price is lower than the price by which the SELLER acquired the property. The difference in the price does not constitute a donation between the parties, it is due to the need to sell the property promptly, avoiding property taxes, maintenance, and other expenses. The purchase price was the highest offer for the property, the decision to sell at a lower price is an ordinary business decision.

Four [4]: As part of the agreements between the BUYER and the SELLER, jointly referred to as "the parties", to make possible the present transaction, the parties agree that the BUYER is responsible for the Property taxes assessed and due as of today, if any. Henceforth, the Property taxes, including those assessed after the execution of this deed and that correspond to periods prior to the date of this deed will be borne and paid by the BUYER and they will be the BUYER's sole responsibility. The BUYER waives the right to file a claim, complaint and/or grievance against the SELLER for such concept. The SELLER shall not be responsible for any amount due, paid and/or to be paid after the day of this deed, including but not limited to any taxes, penalties and/or interest assessed

and/or due as a result of retroactive, postponed or additional Property taxes resulting from any adjustment in the appraised value of the Property, any change in the Property tax exemption and/or any change in the use of, construction on, and/or improvement to the Property.

Five [5] The Buyer acknowledges the responsibility to complete a Change of Ownership Application and file it, within the next thirty (30) days of this deed, at the Municipal Revenue Collection Center (“Centro de Recaudación de Ingresos Municipales”) [GRIM] in the municipality where the Property is located, in accordance with Law Number one hundred seven (107), of August Fourteen (14) two thousand twenty (2020), as amended.

Six [6] The appearing parties, acknowledge having examined a copy of a certification issued by Municipal Revenue Collection Center (“Centro de Recaudación de Ingresos Municipales”) (CRIM) as to Property taxes corresponding to the Property that shows the current tax status of the Property and its debts for Property taxes, if any. The content, extent and limitations of said certification and the risks of new Property tax assessments after the issuance of the certification, have been explained in detail to the appearing parties.

Seven [7] The Notary has warned the appearing parties of the responsibility and importance filing the electronic Informative Return on Segregation, Grouping or Transfer of Real Estate (“Informative Return”) with the Treasury Department pursuant to the amendment to Section Eleven (11) of the Notarial Law of Puerto Rico, as provided by Act Number One Hundred Forty (140) of July thirteen (13) two thousand and eleven (2011). The Notary has warned the appearing parties of their responsibility to provide the necessary

information to the notary to be able to file the Informative Return. The appearing parties assure that the information provided to the notary in this transaction is correct for the filing of that Informative Return.

Eight [8]: The appearing parties, their successors, or inheritors by any title, hereto agree to execute and deliver any additional instruments and documents which may be necessary and required to clarify, correct, amend or add to ensure that the title of the Property is recorded in the Registry of Property in the name of the Buyer, including any corrective, explanatory or rectification deed.

FIFTH: The Buyer acknowledges that, upon request of the Seller, they carefully inspected the Property; that Buyer knows the physical state of the Property and that they buy and accept it “as is, where it, with all faults”, therefore, the Seller does not have any obligation to make any improvements to the Property.

The Buyer understands and acknowledges that the Seller has acquired the Property, directly or indirectly, through foreclosure, deed in lieu of payment, assignment of rights or similar transactions, as a result of which the Seller has never occupied the Property, and the Seller has no knowledge about the past and/or present condition of the same. The Buyer recognizes that the Seller and its agents have recommended that the Buyer inspect the Property assisted by their representatives, experts and other persons employed for this purpose as well as by an inspector certified by the Commonwealth of Puerto Rico and that the Buyer was granted sufficient time and access to the Property to carry out a thorough inspection of the same. In view of the foregoing, the

Buyer agrees that this purchase is made without recourse and in the current state and condition of the Property ("AS IS, WHERE IS, WITH ALL FAULTS"), with all its defects, whether hidden or apparent, and with all faults or defects on the Property, whether known or unknown, existing at present or that may hereinafter arise. The Seller and its agents make no representations or warranties of any kind, expressed or implied, oral or written, with respect to the Property including without limitation: (a) the value, nature, quality or condition of the Property, including without limitation, water, soil and geology, (b) income to be derived from the Property, (c) the suitability of the Property for any and all purposes, activities and uses which the Buyer may give the Property, (d) compliance of the Property or its operation with any laws, rules, ordinances or regulations of any governmental authority or body, (e) the habitability, merchantability, marketability, profitability or suitability of the Property for a particular purpose; (f) the manner or quality of construction or materials, if any, built on the Property, (g) the manner, quality, state of repair or lack of repair of the Property, (h) existence of a view from the Property or the possibility that any existing view will not be obstructed in the future, (i) any other issue regarding the Property, (j) the structural integrity of any improvements on the Property, (k) the conformity of the improvements to any plan or specification for the Property, (l) the conformity of the buildings on the Property with the zoning requirements applicable to the Property or the building code required, (m) the existence of soil instability, past soil repairs, susceptibility to landslides, sufficiency of under-shoring sufficiency of drainage, or any other matter that affects the stability or

integrity of any land or buildings or improvements located thereon, or (n) if the Property is situated on a plain area or special flood hazard, or in the presence of wetlands or shoreland. The Buyer acknowledges that the Property may not be in accordance with the applicable zoning, building, health or other laws or regulations, and neither the Seller nor any private person acting as a representative or agent of the Seller has occupied the Property and that the Property may not be in habitable conditions. In addition, the Buyer acknowledges and agrees without limitation of any kind that the Seller has not made nor will make, and specifically denies any representation regarding the Property in accordance with federal law, Americans with Disabilities Act, or any environmental protection, pollution or land use laws, rules, regulations, orders or requirements, as defined by law and state and federal regulations, including but not limited to agency regulations to protect the environment or the provision or the existence, on the Property, of any hazardous substance as defined by the law known as the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended, and other related statutes and regulations. The Buyer represents and claims to have inspected the Property itself or through its agents and representatives finding it to the Buyer's satisfaction, and that it signs this Deed with full knowledge of the conditions under which the Property is found (as is, where is, with all faults). In view of the foregoing, the Buyer acknowledges and agrees that the Seller does not extend any warranty for vices and/or hidden defects and waives any action or claim against the Seller for the condition of the Property and expressly relieves the Seller from any liability it may have regarding the Property. The

Buyer agrees and acknowledges that the Purchase Price agreed to hereunder has been reduced and adjusted in consideration of the condition in which the Property is found.

ACCEPTANCE AND LEGAL WARNINGS

The parties are advised, especially the Buyer, that if the residence located on the Property was built before the year nineteen seventy-eight (1978), the Law for the Reduction of Risks Caused by Lead-Based Paint in Residential Homes, also known as the "Residential Lead Base Paint Hazard Act, 42 USC & 4851 et seq applies. This law requires the seller and his agent or broker, if any, disclose any knowledge about the presence of lead-based paint or any known risk Property associated with it, provide any reports or evaluations for lead that had available, grant the buyer a period of ten (10) days for the buyer to inspect the Property for those purposes and provide information booklet prepared by the Environmental Protection Agency ("Environmental Protection Agency) before the buyer enters into a contract. The sale contract must include an attachment or document signed by the parties that certifies compliance with these requirements. The seller and his agent should preserve the contract and its exhibits for a period of three (3) years. Failure to comply with the requirements of the Act exposes the seller to respond for damages. Having been duly informed and advised the parties manifest that they are satisfied and agree to move forward with the purchase and sale of the Property.

The parties accept this deed in all its parts stating they find the same drafted in accordance with their instructions.

I, the Notary, GIVE FAITH of having given the appearing parties all necessary and pertinent legal warnings related to this act, specially I gave them the following:

[A] I advised the appearing parties, especially the Buyer, of the right to examine the Registry of Property, and of the importance of obtaining a title study in relation to any liens, encumbrances of other real Property rights affecting the Property; that in this particular case, the Authorizing Notary, nor the appearing parties have personally examined the Registry of Property; that notwithstanding that, a title search report was prepared by a title investigator and that the fact that said study was obtained does not constitute guaranty of the lack of existence of liens or encumbrances, since these may have been constituted after the examination of the Registry's records or the date of this title study was prepared

Said title search report was used to prepare this deed, and this Notary, assumes no responsibility for the accuracy, correctness and or completeness of said title search report.

The appearing parties accept the title search report prepared for this transaction. The appearing parties release and hold harmless the Notary executing this Deed from any responsibility due to errors and or omissions in said title search report and or any changes in the title of the Property or in its liens and encumbrances that might occur between the date of the title search report and the date this deed is presented in the Registry for recording.

[B] I have advised them about the following:

The importance of recording this public deed at the Registry of Property, having informed them of the cost of such recording, as well as the duty of procure the corresponding transfers before the Treasury Department and the Municipal Revenue Collection Center (“Centro de Recaudacion de Ingresos Municipales (CRIM)”).

The responsibilities and consequences that could result of not recording this public deed.

The fiscal duties and consequences of this act.

Of the right of the appearing parties to request the presence of witnesses.

If the real Property is within a floodable zone, the Buyer will have to comply with the requirements and dispositions of the Regulation on Floodable zones for any construction, use or development.

To their right to read the Deed by themselves, which they did.

The parties represent that they have understood all legal warnings and the possible legal consequences of everything explained to them.

After having read the contents of this Deed, the appearing parties fully ratified and confirmed the statements contained herein, and thereupon each of the appearing parties affixes his initials on each and every page and signs the original at the end of this deed, before me, the Notary. To all of which, under my signature, seal, mark and flourish and according to law, I, the undersigned Notary, GIVE FAITH.

SIGNED: ROOSEVELT REO PR, CORP is represented by DIEGO MANUEL MATEO REYES, FORTALEZA EQUITY PARTNERS I, LLC is represented by REGGIE DIAZ HERNANDEZ.

SIGNED, MARKED, SEALED AND INITIALIZED: ROBERTO ANDRES GARCIA JUARBE, Notary Lawyer.

The corresponding stamps of Internal Revenue, Notarial Tax and Legal Assistance are canceled in the original.

The initials of the grantors appear stamped on each of the pages of the original of this deed and it is sealed and marked on all its pages.

I CERTIFY: That the foregoing is a faithful and exact copy of its original, which appears in my protocol of public instruments for the year two thousand and twenty-two (2022) deed number 30, which contains five (5) pages.

IN WITNESS WHEREOF, I hereby issue this first certified copy at the request of The Purchasing Party, in San Juan, Puerto Rico, to 25, two thousand twenty-two (2022).

/s/ Roberto Andres Garcia Juarbe



CERTIFICACIÓN DEL NOTARIO QUE PRESENTA DOCUMENTO EN EL REGISTRO DE LA PROPIEDAD INMOBILIARIA DE PUERTO RICO POR LA VÍA TELEMÁTICA

Certifico: Que la copia certificada de la escritura/documento Certificado #30
(número/tipo de documento) autorizada por Lic. Roberto Jiménez (nombre
del notario/funcionario) en San Juan, P.R. - 2022 (fecha), y que en formato PDF
estoy presentando al Registro de la Propiedad, es una copia fiel y exacta de la copia
certificada de dicha escritura/documento.

En San Juan, P.R. - 2022 (lugar y fecha),



(firmado, signado, sellado y rubricado por el notario).