

MAY 13 1971

May 4, 1971

Dr. Francis M. Hammond
Program Officer
Higher Education Facilities
26 Federal Plaza Foley Square
New York City, New York 10007

Dear Dr. Hammond:

Many thanks for your kind letter of April 14, requesting additional information regarding our Annual Interest Grant Application.

We are pleased to submit the following information as requested:

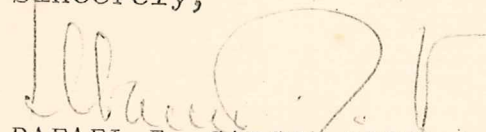
- 1- Exhibit 6 (See Attachment #1)
- 2- Concerning the financing of the \$250,000 down-payment, we have been able to obtain a commitment to provide the money from Banco de Ponce, secured by a first mortgage on 10 acres of land owned by the College. We have not yet agreed upon the exact interest rate and maturity period, but the former will be between 8 and 9% and the latter will be less than 10 years. Long-term financing will be made with the Sisters of the Sacred Heart at 5% interest over a 30 year maturity period with a second mortgage on the property being acquired.
- 3- (See Attachment #2)
- 4- Total Headcount enrollment
617 -- College
180 - Junior College (These students are using the facilities to be acquired.)
797

- 5) The dining facilities on the first floor of Building D will continue to be used as such. They should, therefore, be considered assignable area in the project.
- 6) The Chapel area is being used now as a multi-purpose academic area. It will be used, during the coming academic year, for lectures, assemblies, convocations, etc., without remodeling. The rooms which were designed for dormitory use will be used during the coming academic year as seminar rooms, counseling offices, classrooms, professors' offices, etc., without remodeling. At present the College lacks the financial means to undertake conversion. We hope to begin converting these areas to improve their suitability in the summer of 1972 to be ready for the fall term of academic year 1972-73.

We hope this information enables you to complete the review of our application.

Many thanks for your kind attention.

Sincerely,


RAFAEL E. GARCIA BOTTARI
President

CERTIFICATION

I hereby certify that the attached documents prepared by me are true and faithful translations from Spanish to English of

1. Mortgage Deed No. 200 executed by the Congregation of the Mothers of the Sacred Heart of Jesus in Puerto Rico on April 26, 1966.
2. Promissory Note No. 1 executed by said Congregation on the same date.
3. Promissory Note No. 2 executed by said Congregation on the same date.

Richard B. Cappalli
Richard B. Cappalli
Professor of Law
University of Puerto Rico

May 6, 1971

NAME OF APPLICANT

College of the Sacred Heart

PROJECT NUMBER

5-2-00620-0

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION
WASHINGTON, D.C. 20202
(ANNUAL INTEREST GRANTS PROGRAM)

TO BE COMPLETED BY REGIONAL OFFICE

ASSESSMENT FORM

1. ATTACHED IS A COPY OF THE VALIDATED APPLICATION FORM WITH COMPLETE DETAILS OF THE PROPOSED FINANCING.			
2.	TOTAL DEVELOPMENT COST	\$ 3,861,500	3. THIS APPLICATION COVERS: LOAN AMOUNT TO BE SUBSIDIZED
	ELIGIBLE DEVELOPMENT COST	\$ 3,524,777	
	OTHER FEDERAL ASSISTANCE	\$ NONE	
		A. <input checked="" type="checkbox"/> INITIAL SUPPORT OF	\$ 2,996,000
		B. <input type="checkbox"/> SUPPLEMENTAL SUPPORT OF	\$
DATE	SIGNED (SENIOR HEF PROGRAM OFFICER)		
June 3, 1971	<i>Francis M. Hammond</i>		

TO BE COMPLETED BY FINANCING BRANCH

1. THE FINANCING BRANCH HAS REVIEWED	2. THE FOLLOWING DATA SHOULD BE INCLUDED IN THE ANNUAL INTEREST GRANT AGREEMENT:		
	A. <input type="checkbox"/> THE PROPOSED FINANCING PLAN AND IT IS ACCEPTABLE FOR ANNUAL INTEREST GRANT APPROVAL SUBJECT TO FURTHER APPROVAL OF A FIRM AND DETAILED FINANCING PROPOSAL.	A. PRINCIPAL AMOUNT OF LOAN ON WHICH A.I.G. IS BASED	\$
B. <input type="checkbox"/> THE FIRM AND DETAILED FINANCING PROPOSAL SUBMITTED BY THE APPLICANT AND FINDS IT ACCEPTABLE.	B. INTEREST RATE		
	C. TERM OF LOAN		
	D. ANNUAL GRANT AMOUNT		
	E. SPECIAL TERMS AND CONDITIONS ATTACHED <input type="checkbox"/> YES <input type="checkbox"/> NO		

3. SPECIAL INSTRUCTIONS WITH RESPECT TO PREPARING THE AGREEMENT:

4. THIS APPROVAL REFLECTS ONLY THE ACCEPTABILITY OF THE FINANCING PLAN. IN NO WAY IS IT TO BE CONSTRUED AS A COMMITMENT OF THE AVAILABILITY OF FUNDS FOR THE PURPOSE OF MAKING THIS GRANT.

DATE	SIGNED (CHIEF, FINANCING BRANCH, DIVISION OF ACADEMIC FACILITIES)

Received
Financing Branch, DAF

JUN 10 1971

NAME OF APPLICANT

College of the Sacred Heart

PROJECT NUMBER

5-2-00620-0

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION

WASHINGTON, D. C. 20202

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DATE
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SIGNED (SENIOR HEF PROGRAM OFFICER)

Francis M. Hammond

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			E. SPECIAL TERMS AND CONDITIONS ATTACHED <input type="checkbox"/> YES <input type="checkbox"/> NO

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DATE

SIGNED (CHIEF, FINANCING BRANCH, DIVISION OF ACADEMIC FACILITIES)

Received
Financing Branch, DAF JUN 10 1971

NAME OF APPLICANT <p style="text-align: center;">College of the Sacred Heart</p>	PROJECT NUMBER <p style="text-align: center;">5-2-00620</p>	DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE OFFICE OF EDUCATION WASHINGTON, D.C. 20202 (ANNUAL INTEREST GRANTS PROGRAM)
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DATE	SIGNED (SENIOR HEF PROGRAM OFFICER)	
June 3, 1971	<i>Francis M. Hammond</i>	
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DATE	SIGNED (CHIEF, FINANCING BRANCH, DIVISION OF ACADEMIC FACILITIES)	

Received
 Financing Branch, DAF JUN 10 1971

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
REGIONAL OFFICE

Date: September 3, 1971
Reply to
Attn of: OE, BHE, DAF
Subject: Unfunded Fiscal Year 1971 Annual Interest Grant applications
To: Institutions with unfunded Annual Interest Grant applications in Fiscal Year 1971

Enclosed you will find additional material previously submitted by you with your application for Annual Interest Grant assistance during Fiscal Year 1971. The return of this material has no effect on any re-submitted application for Fiscal Year 1972. It is merely returned to you since it was prepared on forms which are now obsolete, and complements that material previously forwarded to you in July 1971.

If you have re-submitted an application on form HEW 537, you can be assured that it will be given every consideration during the upcoming Fiscal Year.



Francis M. Hammond
Higher Education Facilities
Program Officer
Bureau of Higher Education, Region II

Enclosure

DEED NUMBER TWO HUNDRED (200)

VOLUNTARY CONVENTIONAL MORTGAGE

In the city of San Juan, Commonwealth of Puerto Rico, today the twenty sixth day of April of the year nineteen hundred and sixty six.

BEFORE ME

JORGE M. MORALES, Attorney and Public Notary of Puerto Rico, with law office open in San Juan and resident of the city of San Juan, Puerto Rico.

AND APPEARS AS THE ONLY PARTY: CONGREGATION OF THE MOTHERS OF THE SACRED HEART OF JESUS IN PUERTO RICO, which is a non-profit organization, organized according to the laws of the Commonwealth of Puerto Rico, with its main office in this city, represented in this act by the Reverend Mother Superior Carmen María Anduze who is of full age, unmarried and resident of San Juan, Puerto Rico:

(hereinafter called the MORTGAGORS).

Those who appear in this act assure that they are in possession of their civil rights and have in my judgement, sufficient legal capacity to execute this document, freely

DECLARE

FIRST: That the MORTGAGORS are the absolute owners of the following real estate:

CITY PROPERTY: Parcel of land located in the borough of Santurce commonly called Martín Peña and Pastorcillo, known and registered as "Estancia San José, in the Municipality of San Juan, with a superficial area of ONE HUNDRED AND THIRTY FIVE THOUSAND TWO HUNDRED AND EIGHTY TWO SQUARE METERS AND THREE THOUSAND TWO HUNDRED AND FIFTY SEVENTEN THOUSANTHS OF A SQUARE METER according to the Real-Estate Record Office, area of this parcel which has been reduced because of segregations

that have been made out of the principal parcel, segregations which appear in the Real-Estate Record Office, and which appear in the survey map prepared by the Engineers Ignacio Carbia, license number one thousand three hundred seventy five and Rafael Bonniñ, license number one thousand eight hundred and fifty which is dated on July the twenty eighth of the year nineteen hundred and sixty four, of a superficial area of ONE HUNDRED TWENTY SEVEN THOUSAND NINE HUNDRED AND FORTY TWO SQUARE METERS AND SIXTEEN CENTIMETERS, equivalent to THIRTY TWO "CUERDAS" AND FIVE HUNDRED AND FIFTY TWO THOUSANTHS OF A "CUERDA"; adjacent to, according to the map, on the NORTH, with a concrete wall and houses, that separate the parcel of land from the Eduardo Conde Avenue, in part, and with real estate that belongs to the Municipal Government of San Juan that separates the parcel of land from the already mentioned Eduardo Conde Avenue; on the SOUTH, with San Antonio Street, in part, and with houses that separate the parcel of land from the Sagrado Corazón Street; on the EAST, in part, with real estate that belongs to the Municipal Government of San Juan and with some houses that separate the parcel of land from the Sagrado Corazón Street and with the Rambla Monte-Flores Street, separated from this parcel by vacant real estate; on the WEST, in part, with houses and in part with a concrete wall which separates the parcel of real estate from the Bouret Street. The parcel of real estate contains various buildings. Registered in the Real-Estate Record Office at page one hundred and twenty (120) of volume one hundred and eighty (180) of North Santurce, parcel of real estate number seven thousand six hundred and twenty three (7,623), first registration.

On the above mentioned parcel of real estate

eight new concrete buildings have been erected.--

---SECOND: That the MORTGAGORS on this same day have signed two promissory notes payable to the order of the GOVERNMENT DEVELOPMENT BANK FOR PUERTO RICO, a banking institution organized according to law Number Seventeen of the Commonwealth of Puerto Rico, approved the twenty third of September of the year nineteen hundred and forty eight.

(called hereinafter the MORTGAGEE), which promissory notes are described as follows:---

PROMISSORY NOTE NUMBER ONE (1) - Promissory note signed on this date by the MORTGAGORS to the order of the GOVERNMENT DEVELOPMENT BANK FOR PUERTO RICO for the principal sum of ONE HUNDRED THOUSAND DOLLARS (\$100,000.00), interest at six (6%) percent annually and at seven (7%) percent annually in case of breach or maturity, the principal and the interest being payable in monthly installments of THREE THOUSAND FORTY TWO DOLLARS AND NINETEEN CENTS (\$3,042.19) starting the first day of June of the year nineteen hundred sixty six, and ending the first day of May of the year nineteen hundred and sixty nine, being agreed in the promissory note a penalty equivalent to TEN PERCENT of the amount of said promissory note for costs, attorney's fees and expenses in case of judicial action for collection.

---PROMISSORY NOTE NUMBER TWO (2) - Promissory note signed on this date by the MORTGAGORS to the order of the GOVERNMENT DEVELOPMENT BANK FOR PUERTO RICO for the principal amount of NINE---

HUNDRED THOUSAND DOLLARS (\$900,000.00),-----
interest at six (6%) percent annually and at
seven (7%) percent annually in case of breach-----
or maturity, the principal and the interest-----
payable in monthly installments of SEVEN THOUSAND
FORTY SEVEN DOLLARS AND NINETY ONE CENTS-----
(\$7,047.91) starting the first day of June of---
the year nineteen hundred and sixty nine and-----
ending the first day of May of the year nineteen
hundred and eighty six, being agreed in the-----
promissory note a penalty equivalent to TEN-----
PERCENT of the amount of said promissory note---
for costs, attorney's fees and expenses in case-
of judicial action for collection.-----
-----Exact copies of these two promissory notes-----
(which hereinafter called the promissory notes)-
are attached to this deed and become part of the
deed.-----

-----MORTGAGE AS SECURITY FOR THE PROMISSORY NOTES

-----(1) In order to secure the promissory notes,
with their agreed interests and those in case of
default until their complete payment and the ----
agreed sum for costs, attorney's fees and expenses
the MORTGAGORS by this act establish a voluntary-
(conventional) mortgage over the real estate-----
before described, with its buildings, structures,
improvements, annexes and appurtenances now-----
existing or that will be installed in the future,
used or to be used by the MORTGAGOR in connection
with their business or industry on their property.
These goods constitute the MORTGAGED PROPERTY and
as such it is hereinafter designated.-----

----This mortgage will be registered in the-----
appropriate Real Estate Record Office, free of-----
defects and with the character of a first-----
mortgage, unless other liens or preferred-----
encumbrances are set forth in this deed.-----

----For the first auction in case of a judicial---
sale by execution of the mortgage, the MORTGAGOR-

assesses the value of the MORTGAGED PROPERTY at a sum equivalent to the principal of the promissory notes which are here secured by means of the mortgage.

(2) At all times, during the term of this mortgage, the MORTGAGOR will keep the buildings, structures, improvements, annexes and appurtenances of the MORTGAGED PROPERTY properly insured in the form and for the sums and against the risks, and in the companies that the MORTGAGEE so requires. The proceeds of such insurance in case of loss will be payable to the MORTGAGEE under the clause known as the "Standard Mortgage Clause" and the insurance policies which evidence the insurance will be delivered in duplicate, to the MORTGAGEE. In case of loss under the terms of the insurance policies, the proceeds of such policies will be credited by the MORTGAGEE to the principal and interest of the Promissory Notes at the election of the MORTGAGEE.

(3) The MORTGAGORS hereby agree to pay when mature all taxes and surtaxes that at any time during the duration of this mortgage are imposed against the MORTGAGORS in relation with the MORTGAGED PROPERTY or any part thereof.

(4) During the duration of this mortgage the MORTGAGORS will keep the MORTGAGED PROPERTY in good condition and will make the necessary repairs and improvements that are needed to maintain the property at the same value that it actually has; destruction, alteration and deterioration shall not be allowed on the MORTGAGED PROPERTY, or that the same shall become a public nuisance; every law, ordinance and regulation of the government shall be complied with and the MORTGAGOR shall not allow that the MORTGAGED PROPERTY be used for other ends different than those which are in use today; the MORTGAGOR shall not remove from the MORTGAGED PROPERTY any structure, building, improvement or belonging. At all reasonable times the MORTGAGEE shall have access to the MORTGAGED PROPERTY for inspection purposes.

(5) The MORTGAGORS shall institute an accounting system to the satisfaction of the MORTGAGEE and shall permit, at any time whatsoever, the inspection of the ledgers, accounts and goods that belong to the MORTGAGOR and shall promptly supply, at any time, upon request of the MORTGAGEE balance sheets or certified statements by a Certified Public Accountant, or in other form from the ledgers, accounts or goods of the MORTGAGORS. Without being requested the MORTGAGORS shall annually supply to the MORTGAGEE at the end of their economic year a financial statement and a profit and loss statement, both of which shall be certified by a Certified Public Accountant.

All accounting ledgers and records of the MORTGAGOR shall be kept in Puerto Rico.

(6) The MORTGAGORS can pay in full PROMISSORY NOTE NUMBER TWO, for the sum of NINE HUNDRED THOUSAND DOLLARS (\$900,000.00) before its maturity upon the payment of a five percent (5%) penalty of the balance owed on the said PROMISSORY NOTE. The MORTGAGORS shall not be obliged to pay this penalty if the payment before maturity is made as a consequence of the fulfillment of any of the acceleration clauses contained in this deed, or if the payment is made when the GOVERNMENT DEVELOPMENT BANK FOR PUERTO RICO is the owner of said PROMISSORY NOTE.

(7) In case that the MORTGAGORS do not have the MORTGAGED PROPERTY insured or that they do not pay at their due date taxes as before mentioned in this deed, the MORTGAGEE can, at its option, but without being obliged to do so, obtain said insurance contract and pay its premiums and also pay the taxes, surtaxes and penalties without being obliged to investigate the validity of the same. The MORTGAGORS will reimburse the MORTGAGEE for the totality of these sums when so required, with interest at the rate of eight percent (8%) computed annually. In order to secure the payment of said sums by the MORTGAGORS to the MORTGAGEE and of any sum that is advanced for the

payment of insurance premiums or of taxes and surtaxes according to the terms of this clause the MORTGAGORS enlarges the MORTGAGE here constituted with an additional sum equivalent to TEN PERCENT (10%) of the amount of the PROMISSORY NOTES.

(8) All the clauses or parts of the clauses of this deed are essential and the MORTGAGEE can declare the PROMISSORY NOTES due and payable for breach of any clause or part of any clause contained in this deed.

The PROMISSORY NOTES can be declared due if the reports and representations made by the MORTGAGORS to the MORTGAGEE are false in order to induce the MORTGAGEE to give the loan evidenced by the PROMISSORY NOTES.

So they say and execute before me the grantors in their only act.

Made by me, the Public Notary, all the pertinent legal warnings and read by me this deed to the grantors, since they waived their right to read it by themselves, as warned by me, the grantors accept the form in which this deed is written and all together with me sign this deed, and also writing their initials in all and every page of this deed.

This deed is executed without witnesses because the grantors so disposed.

And of the personal knowledge of the grantors and by their saying, of their personal circumstances and residence and of all the rest stated in this deed, I, the Public Notary, give faith.

SIGNED: CARMEN MA. ANDUZE, rscj.

PROMISSORY NOTE ONE (1)

For value received we will pay to the order of the BANCO GUBERNAMENTAL DE FOMENTO PARA PUERTO RICO (GOVERNMENT DEVELOPMENT BANK FOR PUERTO RICO), at its principal office in San Juan, Puerto Rico, the amount of ONE HUNDRED THOUSAND DOLLARS (\$100,000.00) with interest at SIX PERCENT (6%) PER YEAR paid monthly. In case of maturity or breach of this promissory note interest will be owed at SEVEN PERCENT (7%) PER YEAR from the date of maturity or breach.

The principal interest of this promissory note shall be paid in monthly installments of THREE THOUSAND FORTY-TWO DOLLARS AND NINETEEN CENTS (\$3,042.19) beginning the first day of June of 1966 and the same day of all the following months until the principal and interest of this promissory note have been completely paid, except that the final payment of the entire debt evidenced by this promissory note will mature and will be paid the first day of May of 1969.

This promissory note is guaranteed by a mortgage constituted according to a deed executed on this same date before the Notary Mr. Jorge M. Morales.

Any other property, or interest in property, or incorporeal rights or securities or money of the signers, or of any of them, in possession or custody of the payee or holder of this promissory note, on or after this date, shall be for the present pledged to guarantee this promissory note.

We shall also pay an amount equivalent to TEN PERCENT (10%) of the principal of this promissory note, as a penalty for costs, expenses and lawyer's fees, in case of judicial action brought to recover this promissory note, and we submit ourselves expressly to the jurisdiction of any court selected by the payee or holder of this promissory note.

We expressly relieve the payee or holder of this note from its obligation to post security in the case of judicial action for the recovery of this promissory note if said payee or holder requests an order from the court to assure the effectiveness of the judgement in accordance with the laws of Puerto Rico.

The payee or holder of this promissory note can declare it due and payable before its maturity upon the occurrence of any of the following events:

- (a) The monthly interest or any of the installments of principal and interest are not paid on their maturity date;
- (b) Any tax concerning any property encumbered to guarantee this promissory note is not paid on its maturity date;
- (c) Insurance is not maintained in favor of the payee or holder of this promissory note against risks and in amounts required by said payee or holder on any property encumbered to guarantee this promissory note;
- (d) Attachment or execution against any property of the signers or any one of them;

- (e) Insolvency or receivership of the signers or any one of them;
- (f) Dissolution, termination or liquidation of the signers or any one of them;
- (g) Sale, transfer or assignment of any property encumbered in guaranty of this promissory note;
- (h) Proceeding in accordance with federal law of bankruptcy against the signers or any one of them;
- (i) Maturity or breach of any other promissory note, debt, or obligation of the signers with the payee or holder of this promissory note;
- (j) If it is determined that any information or representation made by the signers or any of them to the payee to induce the payee to grant the loan evidenced by this promissory note, is false or untrue in whole or part;
- (k) Breach of any of the clauses of the document of first mortgage executed on this day to guarantee this promissory note.

The signers expressly authorize the payee or holder of this note and grant him power, at his option at any time take possession and apply to the payment of this note, or of any other promissory note or obligation or debt which exists on this date or which arises after this date of the signers or any one of them with the payee or holder of this note, payable or about to become payable, all money of the signers or of any of them in possession of the payee or holder of this note on deposit or in custody or in other form, belonging to the signers or any one of them.

The signers, if there are more than one, shall be jointly and severally liable for this note. The signers and each one of them expressly authorize the payee or holder of this note and grant him power, to modify, change or alter the manner of payment of this note and to release any property given in guaranty of this note, without this affecting, lessening, or altering the joint and several liability of each one of the signers, who shall continue to be jointly and severally liable for this note.

San Juan, Puerto Rico, 26 of April of 1966.

CONGREGACION DE LAS MADRES
DEL SAGRADO CORAZON DE JESUS
EN PUERTO RICO (CONGREGATION
OF THE MOTHERS OF THE SACRED
HEART OF JESUS IN PUERTO RICO)

By: CARMEN MA. ANDUZE, rscj.

(NOTARIZATION)

PAY TO THE ORDER OF BANCO CREDITO Y AHORRO
PONCEÑO

WITHOUT RECOURSE

Banco Gubernamental de Fomento Para Puerto Rico

By: MARIO E. RODRIGUEZ

PROMISSORY NOTE TWO (2)

For value received we will pay to the order of the BANCO GUBERNAMENTAL DE FOMENTO PARA PUERTO RICO (Government Development Bank for Puerto Rico), at its principal office in San Juan, Puerto Rico, the amount of NINE HUNDRED THOUSAND DOLLARS (\$900,000.00) with interest at six percent annually paid monthly. In case of maturity or breach this promissory note will pay interest at seven (7%) percent annually from the date of maturity or breach.

This interest will be paid monthly the first day of each month until the first day of May, 1969. From that date on the principal and interest of this promissory note will be paid in monthly installments of SEVEN THOUSAND FORTY-SEVEN DOLLARS AND NINETY-ONE CENTS (\$7,047.91) each one, beginning the first day of June of 1969, and the same day of all following months until the principal and interest of this promissory note have been completely paid, except that the final payment of the entire debt evidenced by this promissory note will mature and will be paid the first day of May of 1986.

This promissory note is guaranteed by a mortgage constituted according to a deed executed on this same date before the Notary Mr. Jorge M. Morales.

Any other property, or interest in property, or incorporeal rights or securities or money of the signers, or of any of them, in possession or custody of the payee or holder of this promissory note, on or after this date, shall be for the present pledged to guarantee this promissory note.

We shall also pay an amount equivalent of TEN PERCENT (10%) of the principal of this promissory note, as a penalty for costs, expenses and lawyer's fees, in case of judicial action brought to recover this promissory note, and we submit ourselves expressly to the jurisdiction of any court selected by the payee or holder of this promissory note.

We expressly relieve the payee or holder of this note from its obligation to post security in the case of judicial action for the recovery of this promissory note if said payee or holder requests an order from the court to assure the effectiveness of the judgement in accordance with the laws of Puerto Rico.

The payee or holder of this promissory note can declare it due and payable before its maturity upon the occurrence of any of the following events:

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- (b) Any tax concerning any property encumbered to guarantee this promissory note is not paid on its maturity date;
- (c) Insurance is not maintained in favor of the payee or holder of this promissory note against risks and in amounts required by said payee or holder on any property encumbered to guarantee this promissory note;
- (d) Attachment or execution against any property of the signers or any one of them;
- (e) Insolvency or receivership of the signers or any one of them;
- (f) Dissolution, termination or liquidation of the signers or any one of them;

- (g) Sale, transfer or assignment of any property encumbered in guaranty of this promissory note;
- (h) Proceeding in accordance with federal law of bankruptcy against the signers or any one of them.
- (i) Maturity or breach of any other promissory note, debt, or obligation of the signers with the payee or holder of this promissory note.
- (j) If it is determined that any information or representation made by the signers or any of them to the payee to induce the payee to grant the loan evidenced by this promissory note, is false or untrue in whole or part.
- (k) Breach of any of the clauses of the document of first mortgage executed on this day to guarantee this promissory note.

The signers expressly authorize the payee or holder of this note and grant him power, at his option at any time take possession and apply to the payment of this note, or of any other promissory note or obligation or debt which exists on this date or which arises after this date of the signers or any one of them with the payee or holder of this note, payable or about to become payable, all money of the signers or of any of them in possession of the payee or holder of this note on deposit or in custody or in other form, belonging to the signers or any one of them.

The signers, if there are more than one, shall be jointly and severally liable for this note. The signers and each one of them expressly authorize the payee or holder of this note and grant him power, to modify, change or alter the manner of payment of this note and to release any property given in guaranty of this note, without this affecting, lessening, or altering the joint and several liability of each one of the signers, who shall continue to be jointly and severally liable for this note.

San Juan, Puerto Rico, 26 of April of 1966.

CONGREGACION DE LAS MADRES DEL
SAGRADO CORAZON DE JESUS EN
PUERTO RICO (CONGREGATION OF THE
MOTHERS OF THE SACRED HEART OF
JESUS IN PUERTO RICO)

By: CARMEN MA. ANDUZE, rscj.

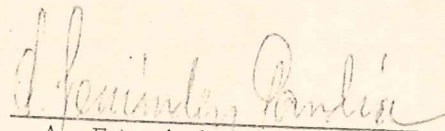
(NOTARIZATION)

A. FERNANDEZ GANDIA
ARQUITECTO A R A
CALLE CONCORDIA NO. 5
PONCE, PUERTO RICO
TEL. 842-9162

April 28, 1971

CERTIFICATION BY PROJECT ARCHITECT

This will certify that the undersigned is the Project Architect for the structure to be acquired under this project and that it is my considered opinion that its present condition is excellent and that its remaining usable life, with normal maintenance, will be at least 40 years.



A. Fernández Gandía
Architect Lic. 2680

SUPPLEMENTAL INFORMATION, EXHIBIT 3

URGENCY OF NEED

I. Puerto Rico's Higher Education Needs

In the academic year 1968-69 the fall semester enrollment of accredited institutions of higher education in Puerto Rico was 52,043 distributed among five schools: the University of Puerto Rico; Inter-American University; Catholic University; Puerto Rico Junior College; and the applicant, the College of the Sacred Heart.* This total enrollment represents approximately 1.9% of the population of Puerto Rico as compared with approximately 3.5% of the total population enrolled in continental United States colleges and universities. In the United States there are 31 college students per 1000 population while in Puerto Rico there are only 16.

These ratios can be explained principally by economic factors. It costs money to attend school, both in terms of direct costs and the sacrifice of income-producing occupation. Because Puerto Rico is considerably below the economic level of

*These and the following statistics are taken from "Higher Education Facilities Comprehensive Planning Study for the Commonwealth of Puerto Rico Commission for the Advancement of Higher Education" (Office of the President, University of Puerto Rico. July 1970).

the United States, many of its residents cannot afford schooling, particularly the luxury of higher education. But the Island is rapidly closing its gap with the mainland economy; its annual per capita income is rapidly approaching that of Mississippi, the poorest State. This ever-increasing prosperity in Puerto Rico will necessarily produce considerably higher levels of college enrollment.

In addition, the population of Puerto Rico is expected to grow rapidly over the next 15 years, jumping from a 1965 level of 2.6 million to over 4 million in 1985. Although the age group 15-24 is not expected to grow as rapidly as the general population increase, this group is still predicted to increase by 38.5%, from 545,000 to 755,000. It is expected that more and more of the youths in this age group are going to continue their education through high school and go on to college. It is estimated that the percentage of high school graduates who pursue higher education will grow from 41% in 1968 to 60% in 1977.

The combination of these factors will produce a tremendous growth of college-bound youths over the next decade and one-half. The Comprehensive Planning Study estimates that the full-time equivalent (FTE) student enrollment which was 24,276 in academic year 1967-68, will more than double by 1974-75 (58,975) and will quintuple by 1985 (124,776)!

The pressure to accommodate this flood of youths will be felt most strongly by colleges located in San Juan, such as the College of the Sacred Heart. Over the past 30 years there has been a massive movement of population from the rural areas to Metropolitan San Juan. In 1940 the city held 18.1% of the total population of Puerto Rico. By 1965 this had increased to 28.5%. These demographic statistics are reflected in college enrollment. At present, colleges in San Juan account for 62% of the Island's total enrollment, and this percentage is expected to rise in the future.

Thus, planning figures show there will be a great increase in college population in Puerto Rico, particularly in the San Juan area. How well equipped are Puerto Rico's institutions of higher education to handle this situation? The answer, with respect to physical facilities, is not very well. The Comprehensive Planning Study characterized Puerto Rico's building requirements as "staggering". Using U.S.O.E. standards, the Study showed that while the estimated deficiency in the United States in 1967 was 30 square feet of academic facilities per FTE student, in Puerto Rico the deficiency was 62.73 square feet. Taking into account enrollment projections, Puerto Rico will need an additional 5,331,524 square feet to meet U.S.O.E. standards; if the existing deficient student-area ratios are maintained, still over 2 million new square feet will be needed. To meet the model standards by 1985, existing facilities

will have to be expanded by an incredible 14 million square feet.

Finally, it should be mentioned that the Comprehensive Planning Study, as well as other studies carried out in Puerto Rico, show that Puerto Rico's greatest human resources needs are for technical personal.

Critical manpower shortages exist in areas where highly specialized training is required. A partial list compiled by the study included: accountants, actuaries, agronomists, bacteriologists, chemists, communications, technicians, cyto-technologists, dentists, draftsmen, dieticians, economists, educators, electricians, engineers, hearing and speech therapists, illustrators, lab. technicians, nurses, nutritionists, pharmacists, physical therapists, physicians, plumbers, radio operators, social workers, sociologists, statisticians, surveyors, and system programers.

II. The College of the Sacred Heart

The foregoing was an account of Puerto Rico's urgent needs for additional academic facilities. This section will deal with the efforts and plans of the College of the Sacred Heart (CSH) to respond to those demands through a restructuring of its educational program. Because the College experienced dramatic policy and organizational changes in the early months of 1970, this narrative will be divided into two parts: the first describing the ~~pre~~-1970 college and the second dealing with

the period from 1970 to the present.

A. Pre-1970

The history of the College of the Sacred Heart is that of a small liberal arts college located in the center of the Metropolitan area in San Juan, Puerto Rico. Founded in 1935 by the Religious Order of the Sacred Heart, the school was authorized in 1936 by the Legislature of Puerto Rico to confer a Bachelor of Arts degree and to award an associate degree for two-year Junior College programs. Since 1950 CSH has been accredited by the Middle States Association of Colleges and Secondary Schools.

For 35 years the college was administered by the Sisters of the Sacred Heart who shared teaching responsibilities with laymen. School policies followed the standard Sacred Heart pattern - an exclusive, high quality education for young women and a traditional, standardized liberal arts curriculum.

It should be noted that this was the situation when the Office of the President of the University of Puerto Rico prepared the "Higher Education Facilities Comprehensive Planning Study for the Commonwealth of Puerto Rico Commission for the Advancement of Higher Education". Since the time that study was prepared, the College has undergone significant changes which will be discussed below. Thus, the data contained in that Study concerning the College of the Sacred Heart is, in places, inaccurate. In particular, the CSH plan for the development of

physical facilities mentioned in the Study, as well as the school's projected enrollment, have been substantially changed after the Study was made.

B. 1970: A Year of Change

The year 1970 began as a year of crisis for the college with the announcement, by the Sisters of the Sacred Heart, that they were re-examining their role in education, particularly the education of the well-to-do. The decision was reached to terminate the operation of an elementary and secondary school which the Sisters were operating on the Sacred Heart campus. The college itself, however, was spared the same fate when legal ownership and control of the college was vested in a newly constituted Board of Directors, the great majority of whom are laymen. As an exhibit to this application demonstrates, the Corporation of the Sisters of the Sacred Heart and the Corporation of the College of the Sacred Heart are separate and independent entities, both legally and realistically.

Each is a non-profit association incorporated and registered separately under the Laws of the Commonwealth of Puerto Rico. Control of each also resides in separate hands. While the Corporation of the Sisters of the Sacred Heart is, of course, controlled by the Sisters, the basic policy of the College is established by the laymen on its Board of Directors. Less than one-fourth of the seats on this Board are presently

occupied by Sisters.

The Board's first action was to appoint a layman, Rafael Enrique García Bottari, as president. Mr. García, an experienced educator, organized the University of Puerto Rico's four-year regional college at Cayey, and was its director before accepting the presidency of the Sacred Heart.

The administration under Mr. García is committed to fundamental new policies. While it wishes to preserve the achievements, values and prestige of the past, the school must establish new educational directions and become more relevant and responsive to the needs of Puerto Rico. In view of the tremendous increase in the number of youths seeking higher education which is predicted for the coming years, Sacred Heart has decided to expand enrollment rapidly, with emphasis on offering higher education opportunities to disadvantaged, low income high school graduates. Given the great need on the Island for professionals and sub-professionals in technical fields, the College has decided to add to its traditional liberal arts curriculum a program of specialized courses.

The principal vehicle for carrying this policy into effect is the recently established Junior College Division which opened in August of this year with an initial enrollment of 180 students, 131 males and 49 females. This Junior College is a division of the College of the Sacred Heart, under the direct

control and supervision of the College's Board of Directors and Administration.

We are presently operating the Junior College in borrowed quarters, the building which formerly housed the elementary and secondary school and which we are negotiating to buy from the Sisters of the Sacred Heart. This land and building is the subject of this application for annual interest grants.

A rapid expansion of enrollment and diversification of curriculum over the next several years is planned. The aim is to offer to a substantial number of high school graduates from low-income families the opportunity to pursue a realistic higher education either through a two-year transfer program of general studies or a two-year terminal program geared to providing technical and semi-professional training. We are establishing a Para-Medical Section, offering training in high demand health positions such as inhalation technician, dental assistant, therapist, medical record technician, etc; a Commercial Sciences Section, offering business and commercial programs such as computer technology, business management, finances and accounting, and real estate; a Nursing Section offering a two-year program in nursing; and a Special Programs Section covering a wide variety of special programs, such as police science, library science, social services and environmental protection and control.

In addition to the Junior College Division, Sacred Heart has just opened a four-year, coeducational night school. The bulk of the first enrolled class are residents of the Model Cities area in San Juan, a cooperative arrangement having established between the college and the city agency running the Model Cities program. The school will also be expanding its Department of Education which prepares Sacred Heart students for elementary and secondary school teaching.

Once we have acquired the new facility we will transfer this Department to the new building, increase its enrollment, and expand the curriculum by adding model laboratories and practice teaching.

Thus, the College of the Sacred Heart is attempting to respond adequately to the documented higher education needs of Puerto Rico. To be successful we must acquire additional facilities to accommodate the Junior College Division and other new programs. Mostly because of this new division we have planned to increase our enrollment at increments of 450 per year over the next five years. This means that by 1975 the enrollment at Sacred Heart will have quadrupled. Thus, our needs for additional academic facilities are truly urgent and additional facilities must be acquired as soon as possible.

SUPPLEMENTAL INFORMATION, EXHIBIT 4

Tentative Commitments for Private Borrowing

Lender: Congregación de Madres del Sagrado Corazón en Puerto Rico
(Congregation of the Mothers of the Sacred Heart in Puerto Rico)

Borrower: College of the Sacred Heart

Total Amount: \$3,861,500

Financing: 1- Assumption of existing debt to Banco de Fomento of
\$857,700 at 6% for 23 years*

2- Down-payment: \$250,000

3- Balance: \$2,753,800

Financing of Balance of \$2,753,800

1- Interest Rate: 5%

2- Maturity Period: 30 years

3- Security: Second mortgage on property

* This application includes a request for annual interest grants on the \$857,700 debt which the College will assume. The applicant, pursuant to Office of Education instructions, is including as Exhibit 6 a copy of the loan and mortgage agreement which will be assumed.

SUPPLEMENTAL INFORMATION, EXHIBIT 5

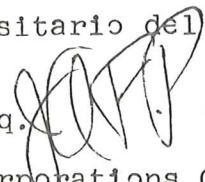
Financing Plan for Down-Payment

- 1- Amount: \$250,000
- 2- Portion on which interest grants sought: 100%
- 3- Source: Private lenders
- 4- Security: First mortgage on 10 undeveloped acres of land
- 5- Estimated interest rate: 8 to 9%
- 6- Maturity period: 10 years

- 211011 /

M E M O R A N D U M

TO: Rafael E. Garcia Bottari
 President of Colegio Universitario del
 Sagrado Corazón

FROM: José A. Fernández Paoli, Esq. 

RE: Relationship between the Corporations Congre-
 gación de Madres del Sagrado Corazón de Jesus
 en Puerto Rico and Colegio Universitario del
 Sagrado Corazón

DATE: February 26, 1971

In 1919 the religious community of the Sacred Heart incorporated under the name of Congregación de Madres del Sagrado Corazón. This corporation was formed with the sole purpose of establishing a school for girls under the name of Colegio del Sagrado Corazón. Since its inception, this corporation has been controlled by the religious of the Sacred Heart. Its Board of Directors is formed exclusively of members of the religious community.

On February 28, 1936 and through a Joint Resolution approved by the Senate of Puerto Rico the College of the Sacred Heart (Colegio del Sagrado Corazón) was authorized to confer at university level a degree of Bachelor un Arts. This same resolution authorized the creation of a Junior College for the institution. It should be noted that this resolution referred exclusively to the Corporation known as the Congregación de Madres del Sagrado Corazón de Jesús en Puerto Rico, who was the Corporation operating this institution.

The approval of this resolution by the Senate was the terminating point in the creation of a Corporation known as Colegio del Sagrado Corazón. The Articles of Incorporation for this institution were filed in the Department of State of Puerto Rico in 1943 and were subsequently amended in 1954 changing the name of the Corporation to Colegio Universitario del Sagrado Corazón.

Originally, the articles of incorporation for this corporation provided that the Corporation was to be controlled by a Board of Trustees composed of members of the community as well as religious of the Sacred Heart. Subsequently, the Board was composed exclusively of members of the religious community.

In 1969, the Board of Trustees, which was composed of members of the religious community, decided to divest itself of its control of the College and enlarged the number of members of the Board to twenty-five thus opening the way for the election of trustees outside of the religious community. The Articles of Incorporation were amended to this effect.

Immediately after, several members of the community were elected to form part of the Board and at the present time only five religious are members of the Board out of a total of twenty four members. The absolute control of the corporation known as Colegio Universitario del Sagrado Corazón rests exclusively in the hands of the majority of the Board of Trustees, which is composed of professionals who are not members of the religious community. All decision related to the sale and purchase of land and properties of the corporation, as well as having to do with modification or altera-

tion of the Articles of Incorporation have to be approved by the Board. The religious community has to abide by the decision of the Board of Trustees.

It is well to point out at this time that an agreement has been signed by which the College will purchase the land and buildings property of the corporation known as the Congregación de Madres del Sagrado Corazón de Jesús en Puerto Rico. This preliminary agreement will, when it becomes effective, give the total control of the land and properties formerly owned of the religious congregation to the actual Board of Trustees of Colegio Universitario del Sagrado Corazón.

In summary, it is our opinion that the preliminary agreement as well as the future documents to be executed to accomplish the transfer of interest in the lands and buildings to Colegio Universitario del Sagrado Corazón, is a legal and valid transaction between two separate Corporations with different controlling boards.

get a copy!

APPLICATION FOR FEDERAL ASSISTANCE UNDER TITLE I OR TITLE III OF THE HIGHER EDUCATION
FACILITIES ACT OF 1963 FOR CONSTRUCTION OF ACADEMIC FACILITIES

<input type="checkbox"/> TITLE I GRANT	<input type="checkbox"/> SECTION 103 - GRANTS FOR PUBLIC COMMUNITY COLLEGES AND PUBLIC TECHNICAL INSTITUTES	<input type="checkbox"/> SECTION 104 - GRANTS FOR INSTITUTIONS OF HIGHER EDUCATION OTHER THAN PUBLIC COMMUNITY COLLEGES AND PUBLIC TECHNICAL INSTITUTES
<input checked="" type="checkbox"/> TITLE III L/AN	AMOUNT OF LOAN REQUESTED \$ 3,282,300.00	

STATE COMMISSION USE ONLY DATE RECEIVED	OE USE ONLY DATE RECEIVED
CONTROL NUMBER	OE PROJECT NUMBER

(Interest Grant)

A. PROJECT IDENTIFICATION

1 PROJECT LOCATION				3 DESCRIPTION OF THE PROPOSED FACILITIES COVERED BY THE APPLICATION (INDICATE IF RENOVATION OR NEW CONSTRUCTION OR BOTH)					
A NAME OF INSTITUTION OR BRANCH CAMPUS College of the Sacred Heart				Acquisition of academic facility and land					
B STREET ADDRESS Stop 26, Ponce de León Avenue									
C CITY OR TOWN, COUNTY, STATE AND ZIP CODE) Santurce, Puerto Rico 00914			D CONGRESSIONAL DISTRICT N/A						
E LEGAL NAME AND ADDRESS OF BORROWING ENTITY IF DIFFERENT THAN ITEM 1A (TITLE III ONLY) N/A									
F STREET FRONTAGE TO BE USED FOR THE PROPOSED FACILITIES (CHECK AND COMPLETE THE APPROPRIATE BOXES)									
A <input checked="" type="checkbox"/> NONE				4 DESCRIPTION OF THE PROJECT FOR WHICH GRANT OR LOAN ASSISTANCE IS REQUESTED (ALL OR A PORTION OF PROPOSED FACILITIES DESCRIBED IN ITEM 3) Same as above					
B <input type="checkbox"/> TITLE I, P.L. 88-204		STATUS	AMOUNT \$					PROJECT NUMBER	
C <input type="checkbox"/> TITLE II, P.L. 88-204		STATUS	AMOUNT \$					PROJECT NUMBER	
D <input type="checkbox"/> TITLE III, P.L. 88-204		STATUS	AMOUNT \$					PROJECT NUMBER	
E <input type="checkbox"/>		STATUS	AMOUNT \$					PROJECT NUMBER	
F <input type="checkbox"/>		STATUS	AMOUNT \$					PROJECT NUMBER	

DISCRIMINATION PROHIBITED: TITLE VI OF THE CIVIL RIGHTS ACT OF 1964 STATES: "NO PERSON IN THE UNITED STATES SHALL, ON THE GROUND OF RACE, COLOR, OR NATIONAL ORIGIN, BE EXCLUDED FROM PARTICIPATION IN, BE DENIED THE BENEFITS OF, OR BE SUBJECT TO DISCRIMINATION UNDER ANY PROGRAM OR ACTIVITY RECEIVING FEDERAL ASSISTANCE." THEREFORE THE HIGHER EDUCATION FACILITIES ACT OF 1963 LIKE EVERY OTHER PROGRAM OR ACTIVITY RECEIVING ASSISTANCE FROM THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, MUST BE OPERATED IN COMPLIANCE WITH THIS LAW.

B. CERTIFICATION AS TO INSTITUTIONAL ELIGIBILITY

THE APPLICANT HEREBY CERTIFIES THAT THE STATEMENTS CHECKED BELOW ARE TRUE:

1. THE INSTITUTION OR BRANCH CAMPUS COVERED BY THIS APPLICATION MEETS ALL ELIGIBILITY REQUIREMENTS OF THE ACT, AS AN INSTITUTION OF HIGHER EDUCATION, AS SET FORTH IN THE CHECKLIST CONTAINED IN THE INSTRUCTIONS, INCLUDING ACCREDITATION OR AN ACCEPTABLE ALTERNATIVE ON THE FOLLOWING BASIS (CHECK AND COMPLETE EITHER (A) OR (B)):
- (A) CURRENT ACCREDITATION BY MIDDLE STATES ASSOCIATION OF COLLEGES AND SECONDARY SCHOOLS.
- (B) AN ACCEPTABLE ALTERNATIVE TO ACCREDITATION, AS EVIDENCED BY CERTIFICATION FROM THE UNITED STATES OFFICE OF EDUCATION, DATED NO EARLIER THAN TWO YEARS PRIOR TO THE DATE OF THIS APPLICATION, ATTACHED AS EXHIBIT NUMBER _____.
2. (PUBLIC COMMUNITY COLLEGES AND PUBLIC TECHNICAL INSTITUTES ONLY) THE INSTITUTION OR BRANCH CAMPUS COVERED BY THIS APPLICATION IS PUBLICLY CONTROLLED AND SUPPORTED AND IS ORGANIZED AND ADMINISTERED PRINCIPALLY TO PROVIDE ONE OR MORE PROGRAMS WHICH ARE EITHER TWO-YEAR PROGRAMS ACCEPTABLE FOR FULL CREDIT TOWARD A BACHELOR'S DEGREE, OR TWO-YEAR PROGRAMS IN ENGINEERING, MATHEMATICS, OR THE PHYSICAL OR BIOLOGICAL SCIENCES, WHICH ARE DESIGNED TO PREPARE THE STUDENT TO WORK AS A TECHNICIAN AND AT A SEMI-PROFESSIONAL LEVEL IN ENGINEERING, SCIENTIFIC, OR OTHER TECHNOLOGICAL FIELDS WHICH REQUIRE THE UNDERSTANDING AND APPLICATION OF BASIC ENGINEERING, SCIENTIFIC, OR MATHEMATICAL PRINCIPLES OR KNOWLEDGE; MORE THAN 50 PERCENT OF THE FULL-TIME EQUIVALENT STUDENT ENROLLMENT AT THE INSTITUTION OR BRANCH CAMPUS IS IN SUCH QUALIFYING PROGRAMS; AND THIS APPLICATION IS FOR EITHER
- (CHECK APPLICABLE ITEM) A SEPARATE INSTITUTION OR A BRANCH CAMPUS WHICH IS LOCATED BEYOND A REASONABLE COMMUTING DISTANCE FROM THE MAIN CAMPUS OF THE PARENT INSTITUTION.

T I T L E I O N L Y

C. PLANNED USE OF, AND URGENCY OF NEED FOR, THE PROPOSED PROJECT

1. THE APPLICANT HEREBY CERTIFIES THAT (CHECK AND COMPLETE EITHER (A) OR (B)):
- (A) 100 PERCENT OF THE PLANNED USE OF THE AREAS INCLUDED IN THIS TITLE I PROJECT WILL BE FOR INSTRUCTION OF UNDERGRADUATE STUDENTS AND/OR FOR PROVISION OF ON-CAMPUS EXTENSION AND CONTINUING EDUCATION PROGRAMS; OR
- (B) _____ PERCENT (MUST BE AT LEAST 80 PERCENT) OF THE PLANNED USE OF THE AREAS INCLUDED IN THIS TITLE I PROJECT WILL BE FOR THE INSTRUCTION OF UNDERGRADUATE STUDENTS AND/OR FOR PROVISION OF ON-CAMPUS EXTENSION AND CONTINUING EDUCATION PROGRAMS, AS VERIFIED BY THE ATTACHED EXHIBIT NUMBER _____.
2. A FULL AND COMPLETE DESCRIPTION OF THE WAY IN WHICH THE PROJECT COVERED BY THIS APPLICATION, EITHER ALONE OR TOGETHER WITH OTHER CONSTRUCTION TO BE UNDERTAKEN WITHIN TWO YEARS OF THE DATE OF THIS APPLICATION, WILL PROVIDE FOR AN URGENTLY NEEDED SUBSTANTIAL EXPANSION (OR CREATION) OF STUDENT ENROLLMENT CAPACITY OR CAPACITY TO CARRY OUT ON-CAMPUS EXTENSION AND CONTINUING EDUCATION PROGRAMS--CONTAINING THE INFORMATION AND IN THE FORMAT SPECIFIED IN THE INSTRUCTIONS FOR THIS PART--IS ATTACHED HERETO AS EXHIBIT NUMBER _____.

D. ARCHITECTURAL AND CONSTRUCTION INFORMATION

PLEASE READ INSTRUCTIONS CAREFULLY BEFORE PREPARING REQUIRED EXHIBITS OR COMPLETING THIS PART.

1. REQUIRED EXHIBITS (PROVIDE ALL EXHIBITS REQUIRED IN ACCORDANCE WITH THE INSTRUCTIONS--CODE EXHIBITS FOR EASY CROSS-REFERENCE TO APPLICATION):

- (A) EXPLANATION OF BUDGET FOR PURCHASE OF LANDS OR BUILDINGS, AND TWO QUALIFYING INDEPENDENT APPRAISALS IN SUPPORT OF ANY SUCH PURCHASE COSTS TO BE INCLUDED IN THE FACILITIES BUDGET NOT REQUIRED ATTACHED AS EXHIBIT NUMBER A
- (B) DESCRIPTION(S) OF STRUCTURE(S) TO BE ACQUIRED AND/OR REHABILITATED OR CONVERTED. NOT REQUIRED ATTACHED AS EXHIBIT NUMBER
- (C) PLOT PLAN(S) (INCLUDING BREAKDOWN OF SITE IMPROVEMENT COSTS AND EXPLANATION OF USE OF ANY PARKING AREAS INCLUDED IN SITE WORK) ATTACHED AS EXHIBIT NUMBER B
- (D) A TITLE OPINION, VERIFYING THE APPLICANT'S FEE SIMPLE TITLE OR 75-YEAR INTEREST IN THE SITE OF THE PROPOSED FACILITIES, AND PREPARED ACCORDING TO THE FORMAT AND SPECIFICATIONS SET FORTH IN THE INSTRUCTIONS. ATTACHED AS EXHIBIT NUMBER C
- (E) SCHEMATIC DRAWINGS (SEE INSTRUCTIONS) ATTACHED AS EXHIBIT NUMBER D
- (F) OUTLINE SPECIFICATIONS FOR THE CONSTRUCTION AND FOR ALL BUILT-IN EQUIPMENT ATTACHED AS EXHIBIT NUMBER E
- (G) BUDGET FOR MOVABLE INITIAL EQUIPMENT TO BE CHARGED TO THE PROJECT COST NOT REQUIRED ATTACHED AS EXHIBIT NUMBER
- (H) ITEMIZATION OF ANY ESSENTIAL LEGAL AND ADMINISTRATIVE EXPENSES TO BE CHARGED TO THE PROJECT COST NOT REQUIRED ATTACHED AS EXHIBIT NUMBER
- (I) BUDGET FOR ON-SITE SUPERVISION OR RESIDENT INSPECTION OF CONSTRUCTION ATTACHED AS EXHIBIT NUMBER
- (J) SUPPLEMENTAL INFORMATION REQUIRED IF AN AGENCY OTHER THAN THE APPLICANT WILL CONTRACT FOR OR MANAGE THE PROPOSED CONSTRUCTION NOT REQUIRED ATTACHED AS EXHIBIT NUMBER

2. CONSTRUCTION SCHEDULE ESTIMATES: N/A

- (A) DEGREE OF COMPLETION OF FINAL PLANS AND SPECIFICATIONS AT DATE OF APPLICATION IS: _____ PERCENT.
- (B) TARGET DATES ARE: BID ADVERTISING DATE _____, 19____; CONTRACT AWARD DATE _____, 19____;
OCCUPANCY DATE _____, 19____.
- (C) THE ESTIMATED CONSTRUCTION PERIOD FOR THE PROPOSED FACILITIES IS APPROXIMATELY _____ MONTHS.

3. THE ARCHITECT FOR THE PROPOSED FACILITIES IS: N/A

NAME _____ TELEPHONE NUMBER (INCLUDING AREA CODE) _____

ADDRESS _____

THE ARCHITECT'S AGREEMENT OR CONTRACT WAS EXECUTED ON (DATE): _____, 19____.

E. SUPPLEMENTAL ADMINISTRATIVE INFORMATION

1. NAME AND TITLE OF ADMINISTRATIVE HEAD OF INSTITUTION AND/OR BRANCH CAMPUS (IF DIFFERENT FROM PERSON SIGNING THE APPLICATION AS AUTHORIZED OFFICER)

N/A

2. NAME, TITLE, ADDRESS AND TELEPHONE NUMBER OF APPLICANT'S GENERAL REPRESENTATIVE FOR THE PROJECT (IF DIFFERENT FROM PERSON SIGNING THE APPLICATION AS AUTHORIZED OFFICER)

N/A

F. DATA REGARDING THE PROPOSED FACILITIES AND THE PROJECT

	(i) NEW CONSTRUCTION Acquisition	(ii) REHABILITATION, CONVERSION, ETC.	(iii) TOTAL
1. GROSS AREA IN THE PROPOSED FACILITIES (SQUARE FEET)	199,430		
2. TOTAL ASSIGNABLE AREA IN THE PROPOSED FACILITIES (SQUARE FEET) 118,862	108,499		
3. ASSIGNABLE AREA INCLUDED IN THE PROJECT (SQUARE FEET)	108,499		108,499
4. PERCENTAGE OF TOTAL ASSIGNABLE AREA IN THE PROPOSED FACILITIES WHICH IS INCLUDED IN THE PROJECT (LINE 3 DIVIDED BY LINE 2) 91.28	100 PERCENT (%)	PERCENT (%)	
5. DISTRIBUTION OF ASSIGNABLE AREA IN THE PROJECT ((A) PLUS (B) SHOULD EQUAL LINE 3)			
(A) INSTRUCTIONAL AND LIBRARY FACILITIES (SQUARE FEET) 108,499	108,277		108,277 108,499
(B) INSTRUCTION-RELATED FACILITIES (SQUARE FEET)	222		222
6. PERCENTAGE OF ASSIGNABLE AREA IN THE PROJECT WHICH IS REPRESENTED BY INSTRUCTIONAL AND LIBRARY FACILITIES (LINE 5(A) DIVIDED BY LINE 3) 100			99.0 PERCENT (%) 100
7. AREA IN COVERED WALKS AND PORCHES (SEE INSTRUCTIONS)			
8. PERCENT OF TOTAL ASSIGNABLE AREA TO GROSS AREA IN THE PROPOSED FACILITIES (LINE 2 DIVIDED BY LINE 1) 59.60 54.40	54.7 PERCENT (%)		

G. FACILITIES BUDGET AND ELIGIBLE COSTS

	(I) NEW CONSTRUCTION	(II) REHABILITATION, CONVERSION, ETC.	(III) TOTAL	(IV) ELIGIBLE FOR FEDERAL PARTICIPATION UNDER THE ACT
1 PURCHASE OF LANDS & Building	\$	\$ 3,861,500	\$ 3,861,500	
2 PURCHASE OF BUILDINGS				
3 PRELIMINARY SITE CLEARANCE		N/A	N/A	
4 SURVEYS AND TESTING		N/A	N/A	
5 ARCHITECTURAL FEES		N/A	N/A	
6 RESIDENT INSPECTION OF CONSTRUCTION		N/A	N/A	
7 CONSTRUCTION		N/A	N/A	
8 BUILT-IN EQUIPMENT		N/A	N/A	
9 SITE IMPROVEMENTS AND UTILITY CONNECTIONS		N/A	N/A	
10 CONSTRUCTION CONTINGENCY ALLOWANCE (MAY NOT EXCEED 7 PERCENT OF SUM OF LINES 7 THROUGH 9)		N/A	N/A	
11 ESSENTIAL LEGAL AND ADMINISTRATIVE EXPENSES		N/A	N/A	
12 CAPITALIZED INTEREST (NOT ELIGIBLE FOR GRANT PARTICIPATION)		N/A	N/A	
13 TOTAL PRORATABLE COSTS (SUM OF LINES 1 THROUGH 12)		\$3,861,500	\$3,861,500	
14 INELIGIBLE PRORATABLE COSTS <input type="checkbox"/> NONE, BASED ON CAREFUL REVIEW OF THE INSTRUCTIONS <input type="checkbox"/> CAPITALIZED INTEREST <input type="checkbox"/> ITEMIZED IN ATTACHED EXHIBIT NUMBER		N/A		
15 NET PRORATABLE COSTS (LINE 13 MINUS LINE 14)		\$3,861,500		
16 PERCENTAGE FOR PRORATION TO THE PROJECT (SEE INSTRUCTIONS)	100 PERCENT (%)	100 PERCENT (%)	91.28%	3,524,777
17 PORTION OF ELIGIBLE PRORATABLE PROJECT COSTS (LINE 16 TIMES APPLICABLE TO THIS PROJECT) (LINE 16 TIMES LINE 15)	\$ 3,861,500	\$ 3,524,777		\$ 3,861,500
18 MOVABLE INITIAL EQUIPMENT (AMOUNT SHOWN AS ELIGIBLE MUST AGREE WITH EXHIBIT FOR D(1)(G))			\$ N/A	
19 WORKS OF ART (ELIGIBLE PORTION MUST NOT EXCEED ONE PERCENT OF SUM OF LINES 17, 18, AND 19)			N/A	
20 CENTRAL UTILITY FACILITY (CONSTRUCTION BUDGET AND BASIS OF PRORATION ATTACHED AS EXHIBIT NUMBER)			N/A	
21 ESTIMATED TOTAL DEVELOPMENT FOR THE PROPOSED FACILITIES (SUM OF LINES 13, 18, 19, AND 20)			\$3,861,500	
22 NET ESTIMATED ELIGIBLE PROJECT DEVELOPMENT COST (SUM OF LINES 17, 18, 19, AND 20)				\$ 3,861,500

3,524,777

P. ASSURANCES AND AUTHENTICATION

1. AN ASSURANCE OF COMPLIANCE WITH TITLE VI OF THE CIVIL RIGHTS ACT OF 1964 (FORM HEW 441) COVERING THE INSTITUTION OR BRANCH CAMPUS FOR WHICH THIS APPLICATION IS SUBMITTED (CHECK AND COMPLETE (A) IF THE ASSURANCE HAS BEEN ASSIGNED A NUMBER, AND (B) ONLY IF THE ASSURANCE NUMBER IS NOT YET KNOWN):
- (A) HAS BEEN ASSIGNED ASSURANCE NUMBER 64-0020 BY THE U.S. DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE; OR
- (B) WAS FILED WITH THE U.S. DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE ON _____, 19____ (DATE)
2. ALL PARTS AND EXHIBITS CONTAINED IN OR REFERRED TO IN THE APPLICATION FORM ARE SUBMITTED HERewith AND MADE A PART OF THIS APPLICATION.
3. THE APPLICANT HEREBY ASSURES THE UNITED STATES COMMISSIONER OF EDUCATION THAT:
- (A) IF THIS APPLICATION IS APPROVED, THE CONSTRUCTION DESCRIBED HEREIN WILL BE UNDERTAKEN PROMPTLY AND IN AN ECONOMICAL MANNER AND WILL NOT BE OF ELABORATE OR EXTRAVAGANT DESIGN OR MATERIALS;
- (B) NO PART OF THE AREAS INCLUDED IN THE PROPOSED PROJECT: (1) IS INTENDED PRIMARILY FOR EVENTS FOR WHICH ADMISSION IS TO BE CHARGED TO THE GENERAL PUBLIC; (2) IS ESPECIALLY DESIGNED FOR ATHLETIC OR RECREATIONAL ACTIVITIES OTHER THAN FOR AN ACADEMIC COURSE IN PHYSICAL EDUCATION; (3) WILL BE USED FOR SECTARIAN INSTRUCTION OR AS A PLACE FOR RELIGIOUS WORSHIP OR PRIMARILY IN CONNECTION WITH ANY PART OF THE PROGRAM OF A SCHOOL OR DEPARTMENT OF DIVINITY (AS DEFINED IN P.L. 88-204); OR (4) WILL BE USED BY A "SCHOOL OF MEDICINE," "SCHOOL OF DENTISTRY," "SCHOOL OF OSTEOPATHY," "SCHOOL OF PHARMACY," "SCHOOL OF OPTOMETRY," "SCHOOL OF PODIATRY," OR "SCHOOL OF PUBLIC HEALTH" AS THESE TERMS ARE DEFINED IN SECTION 724 OF THE PUBLIC HEALTH SERVICE ACT, OR BY A "SCHOOL OF NURSING" AS DEFINED IN THAT ACT UNDER SECTION 823;
- (C) ALL FACILITIES INCLUDED IN THE PROPOSED PROJECT WILL BE USED AS ACADEMIC FACILITIES DURING AT LEAST THE PERIOD OF THE FEDERAL INTEREST OR FOR SO LONG AS THE GOVERNMENT HOLDS ANY OF THE BONDS PURSUANT TO A TITLE III LOAN, WHICHEVER IS LONGER;
- (D) ANY FEDERAL FUNDS RECEIVED PURSUANT TO THIS APPLICATION WILL BE USED SOLELY FOR DEFRAYING THE DEVELOPMENT COST OF THE PROPOSED PROJECT;
- (E) THE APPLICANT HAS ON HAND, OR IS ASSURED OF OBTAINING, IF THE APPLICATION IS APPROVED, SUFFICIENT FUNDS TO MEET THE NON-FEDERAL PORTION OF THE COSTS OF CONSTRUCTING THE FACILITIES DESCRIBED HEREIN, AND THE APPLICANT WILL COVER ALL COSTS IN EXCESS OF THE AMOUNT PROVIDED FOR IN THE APPLICATION.
- (F) CONSTRUCTION CONTRACTS FOR THE CONSTRUCTION COVERED BY THE APPLICATION WILL: (1) PROVIDE THAT LABORERS AND MECHANICS EMPLOYED BY CONTRACTORS AND SUBCONTRACTORS IN THE PERFORMANCE OF WORK ON CONSTRUCTION OF THE FACILITIES BE PAID WAGES AT RATES NOT LESS THAN THOSE PREVAILING ON SIMILAR CONSTRUCTION IN THE LOCALITY AS DETERMINED BY THE SECRETARY OF LABOR IN ACCORDANCE WITH THE DAVIS-BACON ACT, AS AMENDED (40 U.S. C. 276A-276A-5), AND WILL RECEIVE OVERTIME COMPENSATION IN ACCORDANCE WITH AND SUBJECT TO THE PROVISIONS OF THE CONTRACT WORK HOURS STANDARDS ACT (P.L. 87-581), UNLESS A WAIVER IS GRANTED BY THE COMMISSIONER PURSUANT TO SECTION 403(A) OF THE ACT; (2) INCLUDE, AND PROVIDE FOR THEIR INCLUSION IN SUBCONTRACTS, ALL APPLICABLE PROVISIONS REGARDING EQUAL EMPLOYMENT OPPORTUNITY PURSUANT TO EXECUTIVE ORDER 11246; (3) PROVIDE THAT THE CONTRACTOR SHALL FURNISH A PERFORMANCE BOND IN THE AMOUNT OF THE CONTRACT PRICE AND A PAYMENT BOND IN THE AMOUNT OF AT LEAST ONE-HALF OF THE CONTRACT PRICE, UNLESS OTHERWISE AGREED TO BE THE COMMISSIONER IN THE CASE OF SMALL SUMS, AND THAT THE CONTRACTOR SHALL PROVIDE WORKMEN'S COMPENSATION, AND ADEQUATE FIRE, PUBLIC LIABILITY AND PROPERTY DAMAGE INSURANCE (UNLESS THE APPLICANT MAKES OTHER ARRANGEMENTS FOR ANY OR ALL SUCH INSURANCE); (4) PROVIDE FOR THE MAINTENANCE OF SUCH RECORDS AND COMPLY WITH SUCH OTHER PROCEDURES AS THE COMMISSIONER FINDS NECESSARY TO CARRY OUT HIS RESPONSIBILITIES IN CONNECTION WITH THE IMPLEMENTATION OF THE DAVIS-BACON ACT, AND THE CONTRACT WORK HOURS STANDARDS ACT; AND (5) PROVIDE THAT REPRESENTATIVES OF THE U.S. OFFICE OF EDUCATION AND SUCH OTHER PERSONS AS THE COMMISSIONER MAY DESIGNATE WILL HAVE ACCESS AT ALL REASONABLE TIMES TO WORK WHEREVER IT IS IN PREPARATION OR PROGRESS, AND THE CONTRACTOR WILL PROVIDE PROPER FACILITIES FOR SUCH ACCESS AND INSPECTION;
- (G) APPROVAL OF THE FINAL WORKING DRAWINGS AND SPECIFICATIONS FOR THE PROPOSED CONSTRUCTION WILL BE OBTAINED FROM THE COMMISSIONER AND THE CONCURRENCE OF THE COMMISSIONER WILL BE OBTAINED BEFORE THE CONSTRUCTION COVERED BY THIS APPLICATION IS ADVERTISED FOR BIDDING;
- (H) ALL CONTRACTING FOR NEW CONSTRUCTION, AND FOR REHABILITATION, RENOVATION, REMODELING, CONVERSION, OR IMPROVEMENT OF EXISTING STRUCTURES, AND FOR ACQUISITION AND INSTALLATION OF BUILT-IN EQUIPMENT NOT COVERED BY GENERAL CONSTRUCTION CONTRACTS, SHALL BE ON A FIXED PRICE BASIS. ALL SUCH CONSTRUCTION CONTRACTS SHALL BE AWARDED ON THE BASIS OF COMPETITIVE BIDDING OBTAINED BY PUBLIC ADVERTISING;
- (I) NO CHANGES WILL BE MADE THAT WILL CAUSE THE PROJECT TO BE SUBSTANTIALLY DIFFERENT FROM THE REPRESENTATIONS MADE IN THE APPLICATION WITHOUT PRIOR APPROVAL FROM THE COMMISSIONER.

CONTINUED ON PAGE 11

P. ASSURANCES AND AUTHENTICATION (CONTINUED)

- (j) ARCHITECTURAL OR ENGINEERING SUPERVISION AND INSPECTION WILL BE PROVIDED AT THE CONSTRUCTION SITE TO INSURE THAT THE COMPLETED WORK CONFORMS TO THE APPROVED PLANS AND SPECIFICATIONS;
- (k) IT IS FULLY COGNIZANT OF THE REQUIREMENTS REGARDING ECONOMICAL METHODS OF PURCHASE OF MOVABLE EQUIPMENT IN ACCORDANCE WITH SOUND BUSINESS PRACTICE, AS SET FORTH IN THE APPLICABLE REGULATIONS (45 CFR 170.4), AND ALL MOVABLE EQUIPMENT, THE COST OF WHICH IS TO BE CHARGED TO THE PROJECT, WILL BE PROCURED IN ACCORDANCE WITH SUCH REGULATIONS. IT IS UNDERSTOOD AND AGREED BY THE APPLICANT THAT THE ELIGIBLE PROJECT DEVELOPMENT COST AND THE FEDERAL GRANT OR LOAN AMOUNT MAY BE REDUCED AT SETTLEMENT BY THE COMMISSIONER BASED ON THE AMOUNT OF ANY COSTS CLAIMED UNDER THE PROJECT WHICH ARE FOR ELABORATE OR EXTRAVAGANT EQUIPMENT ITEMS OR WHICH CANNOT BE VERIFIED TO HAVE BEEN INCURRED IN ACCORDANCE WITH THIS ASSURANCE;
- (l) ADEQUATE AND SEPARATE ACCOUNTING AND FISCAL RECORDS, AND ACCOUNTS OF ALL MONEYS PROVIDED FROM ANY SOURCE TO PAY THE COST OF THE PROPOSED CONSTRUCTION (INCLUDING NECESSARY SITE ACQUISITION, AND EQUIPMENT); WILL BE MAINTAINED, AND AUDIT OF SUCH RECORDS AND ACCOUNTS WILL BE PERMITTED AT ANY REASONABLE TIME. ALL SUCH RECORDS, INCLUDING ACCOUNTING RECORDS, BANK DEPOSIT SLIPS, CANCELED CHECKS, AND OTHER SUPPORTING DOCUMENTS AND CONTRACT AWARDS AND PURCHASE ORDERS (OR MICROFILM COPIES THEREOF) SHALL BE RETAINED INTACT BY THE APPLICANT, OR WHERE APPLICABLE, BY THE APPLICANT'S BUILDING AGENCY, FOR AUDIT OR INSPECTION BY AUTHORIZED REPRESENTATIVES OF THE FEDERAL GOVERNMENT FOR A PERIOD OF THREE (3) YEARS AFTER COMPLETION OF THE PROJECT OR UNTIL THE APPLICANT IS NOTIFIED OF COMPLETION OF THE GOVERNMENT'S AUDIT (INCLUDING RESOLUTION OF ANY EXCEPTIONS), WHICHEVER SHALL OCCUR FIRST;
- (m) UNLESS EXPRESSLY AGREED TO BY THE COMMISSIONER, IT WILL NOT DISPOSE OF OR ENCUMBER ITS TITLE OR LEASEHOLD OR OTHER INTEREST IN THE SITE AND THE FACILITIES DURING THE PERIOD OF FEDERAL INTEREST OR FOR SO LONG AS THE GOVERNMENT HOLDS ANY BONDS PURSUANT TO A TITLE III LOAN, WHICHEVER IS LONGER;
- (n) IT WILL FURNISH PROGRESS REPORTS AND SUCH OTHER INFORMATION RELATING TO THE PROPOSED CONSTRUCTION AND THE GRANT OR LOAN AS THE COMMISSIONER MAY REQUIRE;
- (o) IT IS UNDERSTOOD AND AGREED THAT THE COMMISSIONER MAY, FROM TIME TO TIME, AFTER EXECUTION OF A LOAN OR GRANT AGREEMENT FOR THIS PROJECT, AND PRIOR TO FINAL SETTLEMENT UNDER THE GRANT OR LOAN AGREEMENT, MAKE DOWNWARD AMENDMENTS IN THE GRANT AND/OR LOAN AMOUNT TO ADJUST TO A REDUCTION IN THE COST OF THE FACILITIES, THE IDENTIFICATION OF INELIGIBLE COSTS, OR A REDUCTION IN THE SIZE OF THE PROJECT; AND,
- (p) THAT IT HAS REVIEWED THE ACADEMIC AND FINANCIAL REQUIREMENTS FOR OPERATION OF THE FACILITIES UPON THEIR COMPLETION, AND CONSIDERS THE PLAN FOR OPERATION OF THE FACILITIES TO BE PRACTICAL AND WITHIN THE FINANCIAL CAPABILITIES OF THE INSTITUTION.

4. THE UNDERSIGNED HEREBY CERTIFIES THAT THE APPLICANT POSSESSES LEGAL AUTHORITY TO APPLY FOR FEDERAL ASSISTANCE UNDER THE ACT, AND TO FINANCE AND CONSTRUCT THE PROPOSED FACILITIES; THAT A RESOLUTION, MOTION OR SIMILAR ACTION HAS BEEN DULY ADOPTED OR PASSED AS AN OFFICIAL ACT OF THE APPLICANT'S GOVERNING BOARD, AUTHORIZING THE FILING OF THIS APPLICATION, INCLUDING ALL UNDERSTANDINGS AND ASSURANCES CONTAINED HEREIN, AND DIRECTING AND AUTHORIZING THE UNDERSIGNED TO ACT AS THE OFFICIAL REPRESENTATIVE OF THE APPLICANT IN CONNECTION WITH THIS APPLICATION AND TO PROVIDE SUCH ADDITIONAL INFORMATION AS MAY BE REQUIRED; THAT IN FILING THE APPLICATION THE APPLICANT IS FULLY COGNIZANT OF THE CONDITIONS UNDER WHICH FEDERAL FUNDS ARE MADE AVAILABLE UNDER THE HIGHER EDUCATION FACILITIES ACT OF 1963, AS SET FORTH IN THIS APPLICATION FORM AND THE ACCOMPANYING INSTRUCTIONS AND REGULATIONS; AND THAT ALL INFORMATION AND STATEMENTS CONTAINED IN THIS APPLICATION AND THE ATTACHED SUPPORTING DOCUMENTS ARE TRUE AND CORRECT TO THE BEST OF HIS KNOWLEDGE AND BELIEF.

(TITLE I ONLY)

5. THIS APPLICATION IS FILED FOR CONSIDERATION FOR A GRANT DURING THE FEDERAL FISCAL YEAR ENDING JUNE 30, 1971. IT IS UNDERSTOOD THAT IF THE APPLICATION IS NOT RECOMMENDED BY THE STATE COMMISSION FOR A GRANT DURING THE FISCAL YEAR, A NEW APPLICATION WILL BE REQUIRED TO BE FILED IF THE APPLICANT WISHES THE PROJECT TO BE CONSIDERED FOR A GRANT DURING THE SUBSEQUENT FISCAL YEAR.

LEGAL NAME OF APPLICANT		ADDRESS OF APPLICANT (INCLUDE ZIP CODE)	
COLLEGE OF THE SACRED HEART		Box 12383, Loiza Station, Santurce, P.R. 00911	
SIGNATURE OF AUTHORIZED OFFICER		ADDRESS OF AUTHORIZED OFFICER (IF DIFFERENT THAN ABOVE)	
TYPED NAME AND TITLE OF AUTHORIZED OFFICER		DATE OF APPLICATION	TELEPHONE NUMBER OF AUTHORIZED OFFICER
Rafael E. Garcia Bottari, President		2-12-71	AREA CODE TELEPHONE NUMBER AND EXTENSION
			809 724-0465

J-2-006200

I N D E X

Supplemental Information

- Part A: Exhibit 1, Enrollment Trends & Projections
- Exhibit 2, Facilities Utilization
- Exhibit 3, Narrative Statement of Need
- Exhibit 4, Tentative Commitments for Private Borrowing
- Exhibit 5, Financing Plan for Down-Payment
- Exhibit 6, Loan Agreement Between Sisters & Banco de Fomento
- Exhibit 7, Legal Opinion - "Arms Length Transaction"

- Part B: Extension of Higher Education Opportunities to Disadvantaged

- Part C: Supplemental Financial Information

OE-1031

- Part A: Project Identification
- Part B: Certification as to Institutional Eligibility
- Part D: Architectural & Construction Information
- Part E: Supplemental Administrative Information
- Part F: Data Regarding the Proposed Facilities and Project
- Part G: Facilities Budget & Eligible Costs
- Part P: Assurances & Authentication

- Exhibit A, Real Estate Appraisals
- Exhibit B, Plot Plan
- Exhibit C, Title Opinion
- Exhibit D, Schematic Drawings
- Exhibit E, Outline Specifications
- Exhibit F, Bank Offers
- Exhibit G, Specific Data Regarding the Proposed Facilities and the Project

ANNUAL INTEREST GRANT PROGRAM
TITLE III, HIGHER EDUCATION FACILITIES ACT OF 1963

J-2-00620-0

PART A - URGENCY OF NEED FOR ADDITIONAL ACADEMIC FACILITIES

SINCE THE MAIN THRUST OF THE HIGHER EDUCATION FACILITIES ACT IS THE EXPANSION OF OPPORTUNITIES FOR HIGHER EDUCATION FOR MORE STUDENTS, EACH APPLICATION MUST CARRY WITH IT A COMMITMENT ON THE PART OF THE INSTITUTION TO INCREASE ENROLLMENT. IN ADDITION, A FACILITY WILL BE CONSIDERED TO BE URGENTLY NEEDED ONLY IF ONE OR A COMBINATION OF THE FOLLOWING CIRCUMSTANCES EXISTS:

- (1) THE EXPANSION IS ASSOCIATED WITH A PLANNED INCREASE OF 100 FTE STUDENTS OR 10 PERCENT OF THE CURRENT FTE ENROLLMENTS IN THE NEXT FOUR YEARS AND THE INSTITUTION IS UTILIZING ITS EXISTING INSTRUCTIONAL AND LIBRARY FACILITIES AT AN ACCEPTABLE LEVEL. FOR EXAMPLE, A CAPACITY/ENROLLMENT RATIO OF 5.0 OR LESS WOULD BE CONSIDERED AN INDICATION OF ADEQUATE UTILIZATION OF DIRECT INSTRUCTIONAL SPACE;
- (2) THE EXPANSION OF CAPACITY IS CLEARLY DEMONSTRATED BY THE APPLICANT TO BE ESSENTIAL TO REMEDY EXISTING OR DEVELOPING SERIOUS DEFICIENCIES IN THE QUALITY OF INSTRUCTION BECAUSE OF CURRENTLY INADEQUATE FACILITIES,
- (3) THE EXPANSION IS DIRECTLY RELATED TO A PLANNED INCREASE IN EXTENSION AND CONTINUING EDUCATION PROGRAMS ON THE CAMPUS OF THE INSTITUTION, WHICH THE APPLICANT HAS DEMONSTRATED ARE PLANNED ON THE BASIS OF DEFINED NEEDS OF THE COMMUNITY OR THE STATE IN WHICH THE INSTITUTION IS LOCATED; OR
- (4) THE EXPANSION OF HEALTH CARE FACILITIES IS DIRECTLY RELATED TO THE DEMONSTRATED NEED FOR SUCH SERVICES AT THE CAMPUS.

APPLICANT REQUIREMENTS

IN RESPONSE TO THIS REQUIREMENT, THREE EXHIBITS ARE REQUIRED--TWO TO QUANTITATIVELY SUPPORT THE URGENCY FOR THE EXPANSION, AND A THIRD EXHIBIT WHICH CONSTITUTES AN UNSTRUCTURED NARRATIVE, IN THE INSTITUTION'S OWN TERMS, RELATING WHY THEY FEEL THAT CONSTRUCTION OF THIS FACILITY IS IN FACT URGENTLY NEEDED AND MUST BE UNDERTAKEN AS SOON AS POSSIBLE.

THE EXHIBITS

- EXHIBIT 1 - ENROLLMENT TRENDS AND PROJECTIONS--EXPRESSES THE PLANNED COMMITMENT TO ACCOMMODATE INCREASED NUMBERS OF STUDENTS.
- EXHIBIT 2 - FACILITIES UTILIZATION--EXPRESSES IN SEVERAL QUANTITATIVE MEASURES THE CURRENT SPACE PICTURE ON THE CAMPUS. NOTE: A CAPACITY/ENROLLMENT RATIO IN EXCESS OF 5.0 REQUIRES A FULL AND COMPLETE STATEMENT OF THE PROPOSED UTILIZATION OF THE NEW FACILITY.
- EXHIBIT 3 - NARRATIVE EXPLAINING THE URGENCY OF NEED FOR THE PROPOSED FACILITY.

EXHIBIT 1 - ENROLLMENT TRENDS AND PROJECTIONS

INCLUDE HERE ENROLLMENT DATA FOR THE SPECIFIC CAMPUS COVERED BY THIS APPLICATION FOR ALL RESIDENT STUDENTS (I.E., ALL STUDENTS TAKING CREDIT COURSES IRRESPECTIVE OF THE TIME OF DAY). DATA SHOWN SHOULD BE THE ACTUAL OR ESTIMATED ENROLLMENT TWO WEEKS AFTER THE OPENING OF THE FALL SEMESTER.

FULL-TIME EQUIVALENT*	1967	1968	1969	1970	1971	1972	1973	1974	1975
UNDER-GRADUATE	497	542	528	768	1200	1650	2100	2550	3000
GRADUATE									
OTHER (NONCLASSIFIED)									
TOTAL	497	542	528	768	1200	1650	2100	2550	3000

* FULL-TIME EQUIVALENT ENROLLMENT=THE NUMBER OF FULL-TIME STUDENTS (THOSE CARRYING AT LEAST 75 PERCENT OF NORMAL STUDENT-HOUR LOAD) PLUS ONE-THIRD OF THE NUMBER OF PART-TIME STUDENTS.

NOTE: In the narrative, Exhibit 3, it is explained that the College of the Sacred Heart opened, in 1970, a co-educational junior college, and in 1971 a co-educational night school. The school's growth will center principally on these new educational programs, although it is also expected that the enrollment in the four-year liberal arts program will also expand steadily. Mathematical projections on file at the College indicate that the school's growth over the next decade may be explosive. The planned growth of the school, which takes into account both Island and institutional resources and the need to maintain quality education, is indicated above as an annual increment of 450 FTE students.

EXHIBIT 2 - FACILITIES UTILIZATION
AS OF TWO WEEKS AFTER THE OPENING DAY OF THE MOST RECENT FALL TERM

CAMPUS-WIDE ACADEMIC FACILITY USE

A. TOTAL HEADCOUNT ENROLLMENT <i>797</i> 617 * 87	B. TOTAL STUDENT CREDIT HOURS 11,106	C. TOTAL STUDENT CLOCK HOURS 12,447	D. TOTAL ASSIGNABLE SQUARE FEET IN ACADEMIC FACILITIES* 108,678
E. TOTAL ASSIGNABLE SQUARE FEET OF INSTRUCTIONAL AND LIBRARY FACILITIES* 33,851		F. ASSIGNABLE SQUARE FEET PER HEADCOUNT (D DIVIDED BY A) 176.86 <i>136.36</i>	
G. ASSIGNABLE SQUARE FEET PER CREDIT HOUR (D DIVIDED BY B) 9.87		H. CAPACITY/ENROLLMENT RATIO* (E DIVIDED BY C) 2.72 ✓	

* DEFINITIONS CONTAINED IN HEFA REGULATIONS

CLASSROOM, LABORATORY, AND LIBRARY USE

	CLASSROOM	LABORATORY	LIBRARY
I. ASSIGNABLE SQUARE FEET (INCLUDING ADJOINING SERVICE AREAS)	8226	8437	17.188
J. PERCENT OF TOTAL ACADEMIC SPACE (I. DIVIDED BY D)	7.57%	7.77%	15.81%
K. ASSIGNABLE SQUARE FEET PER HEADCOUNT (I. DIVIDED BY A)	13.20 <i>10.32</i>	13.41 <i>10.59</i>	27.53 <i>21.57</i>
L. NUMBER OF ROOMS (EXCLUDE SERVICE ROOMS)	14	9	
M. TOTAL NUMBER OF CLASS HOURS PER WEEK SCHEDULED	256	205	
N. AVERAGE WEEKLY ROOM PERIOD USE (M. DIVIDED BY L.)	18.3 ✓	22.8 ✓	
O. SEATING CAPACITY	467	245	364
P. RATIO OF SEATING CAPACITY (O. DIVIDED BY A.) TO HEADCOUNT	.75	.39	.58 <i>45.67</i>

* Excluding the students being taught in the building to be acquired.

EXHIBIT 3 - NARRATIVE STATEMENT OF NEED FOR PROJECT

SEE ATTACHMENT (EXHIBIT 3)

PART B - EXTENSION OF HIGHER EDUCATION OPPORTUNITIES TO THE DISADVANTAGED

THE PURPOSE OF THIS SECTION IS TO RELATE THE PROPOSED CONSTRUCTION TO THE NEED FOR HIGHER EDUCATION OPPORTUNITIES FOR ECONOMICALLY DISADVANTAGED YOUTH IN THE "COMMUNITY" WHICH AN INSTITUTION SERVES. THREE AREAS HAVE BEEN SELECTED IN WHICH INSTITUTIONS MAY QUALIFY FOR HIGHER PRIORITY CONSIDERATION: FIRST, IF THE INSTITUTION IS LOCATED IN AND IS PART OF A COMPREHENSIVE URBAN DEVELOPMENT PROGRAM; SECOND, IF THEY ARE SERVING STUDENTS FROM LOW-INCOME FAMILIES; AND THIRD, IF A HIGH PROPORTION OF THE STUDENTS FROM THAT INSTITUTION ARE PARTICIPATING IN SELECTED STUDENT AID PROGRAMS OF THE OFFICE OF EDUCATION. IF THE INSTITUTION IS PROVIDING MEANINGFUL ASSISTANCE TO ECONOMICALLY DISADVANTAGED STUDENTS AND SUCH ASSISTANCE IS NOT MEASURABLE BY ONE OF THE STANDARDS SUGGESTED, A BRIEF DESCRIPTION OF THE SPECIAL PROGRAM OR PROGRAMS MAY BE PROVIDED. THE DESCRIPTION SHOULD INCLUDE THE NUMBER OF STUDENTS INVOLVED, THE BASIS FOR CHARACTERIZATION OF THESE STUDENTS AS ECONOMICALLY DISADVANTAGED AND ANY OTHER RELEVANT INFORMATION THAT WOULD FURTHER THE POSITION THAT THE INSTITUTION IS INVOLVED IN A MEANINGFUL EXTENSION OF HIGHER EDUCATION OPPORTUNITIES TO THE DISADVANTAGED.

1. IS THE PROPOSED PROJECT PART OF A COMPREHENSIVE URBAN DEVELOPMENT PROGRAM? YES NO **See Comments**

A COMPREHENSIVE URBAN DEVELOPMENT PROGRAM MAY BE DEFINED AS A FEDERAL, STATE, REGIONAL, OR LOCALLY SUPPORTED DEVELOPMENT TO IMPROVE THE QUALITY OF LIFE WITHIN A SPECIFIED GEOGRAPHIC AREA. SUCH AN AREA COULD BE, AS AN EXAMPLE, A "MODEL NEIGHBORHOOD" AS DESIGNATED BY THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT UNDER THE DEMONSTRATION CITIES AND METROPOLITAN DEVELOPMENT ACT OF 1966. OTHER COMPREHENSIVE PLANNING PROGRAMS FOCUSING ON THE IMPROVEMENT OF URBAN AREAS WILL QUALIFY FOR A "YES" RESPONSE TO THIS QUESTION. A BRIEF DESCRIPTION OF THE DEVELOPMENT PROGRAM AND THE INSTITUTION'S ROLE IN THE PLANNING SHOULD BE ATTACHED.

2. WHAT PERCENT OF THE FULL-TIME STUDENTS CURRENTLY ENROLLED IN THE INSTITUTION ARE FROM FAMILIES WITH A COMBINED GROSS INCOME OF LESS THAN \$6,000? IF ACTUAL NUMBERS ARE NOT KNOWN, YOU SHOULD PROVIDE THE BEST ESTIMATE POSSIBLE AND INDICATE THE SOURCE OR METHOD USED TO DERIVE YOUR ESTIMATE.

TOTAL FULL-TIME STUDENTS	FULL-TIME STUDENTS FROM FAMILIES WITH A COMBINED GROSS INCOME OF LESS THAN \$6,000	PERCENT FROM LOW-INCOME FAMILIES
817 <i>749</i>	338	<i>45.1</i> 41.4 PERCENT

3. WHAT PERCENT OF FULL-TIME STUDENTS ARE RECEIVING FINANCIAL ASSISTANCE IN THE MOST RECENT YEAR FOR WHICH DATA IS AVAILABLE UNDER ONE OR MORE OF THE FOLLOWING PROGRAMS: THE NATIONAL DEFENSE STUDENT LOAN PROGRAM, COLLEGE WORK-STUDY PROGRAM, THE EDUCATIONAL OPPORTUNITIES GRANTS PROGRAM? INFORMATION NEEDED TO RESPOND TO THIS QUESTION IS USUALLY AVAILABLE FROM THE STUDENT FINANCIAL AID OFFICER.

TOTAL FULL-TIME STUDENTS	TOTAL UNDUPLICATED NUMBER OF STUDENTS RECEIVING AID	PERCENT AIDED
749 (817)	258 (326)	<i>34</i> (39.9) PERCENT

4. **COMMENTS:** The College of the Sacred Heart is the only institution of higher education within the boundaries of San Juan's Model City Area. Therefore, the institution's role is of great importance in the effort to improve the educational standards of this community. Presently the College has 68 residents of the Model City Area enrolled in the recently established night school. Each of these students has a Model City Scholarship. The figures above in parentheses include these students with special federally financed scholarships. The school is in the process of developing other Sacred Heart-Model City cooperative projects.

PART C - SUPPLEMENTAL FINANCIAL INFORMATION FOR ANNUAL INTEREST GRANTS ASSISTANCE (HEFA, TITLE III - SECTION 306)

PROJECT NUMBER

THE FOLLOWING INFORMATION SUPPLEMENTS AND/OR UPDATES THAT FURNISHED IN THE ORIGINAL APPLICATION:

A FACILITIES FINANCING	
1 AMOUNT OF APPROVED FEDERAL FINANCING ON THIS PROJECT, IF ANY	
A TITLE I GRANT	\$ None
B TITLE II GRANT	\$ None
C OTHER (SPECIFY)	\$ None
TOTAL	\$ None
2 AMOUNT OF LOAN OR PORTION THEREOF ON WHICH ANNUAL INTEREST GRANTS ASSISTANCE IS REQUESTED (MAY NOT EXCEED \$5,000,000 OR 85 PERCENT OF TOTAL ESTIMATED ELIGIBLE COST EXCLUDING ITEM 1 ABOVE)	
	\$3,282,300 * 2,996,000
3 NONFEDERALLY SUPPORTED COSTS TO BE PROVIDED BY APPLICANT (MUST BE A MINIMUM OF 15 PERCENT OF ESTIMATED ELIGIBLE COSTS PLUS 100 PERCENT OF INELIGIBLE COSTS)	
	\$579,200 865,500
SOURCE: Loans to be repaid with income from tuition and contributions.	
* BASED ON ELIGIBLE COSTS = \$3,504,777	
4 TOTAL COST OF FACILITIES	3,861,500

B PROPOSED METHOD OF OBTAINING PROJECT FINANCING

1 PUBLIC SALE OF INSTITUTION'S BONDS

2 PUBLIC SALE OF BONDS THROUGH STATE AGENCY OR BUILDING AUTHORITY

3 PRIVATE BORROWINGS

DESCRIBE PROPOSED SECURITY FOR LOAN INDICATED IN 1, 2, OR 3 ABOVE:

1- Down-payment (\$250,000) : first mortgage on 10 undeveloped acres of land.

2- Balance (\$2,753,800) : second mortgage on property being purchased.

The institution has indicated that AIG assistance is being requested in connection with the two parcels of funds, noted above. If assistance for parcel requested in connection with the assumption of the water mortgage.

6/3/71

C HAS APPLICANT ALREADY ENTERED INTO NEGOTIATIONS FOR LOAN ON WHICH ANNUAL INTEREST GRANTS IS BEING REQUESTED?
 YES NO

1 IF PUBLIC OFFERING, ATTACH PROPOSED NOTICE OF SALE AND DRAFT OF OFFICIAL STATEMENT.

2 IF PRIVATE BORROWING, ATTACH PARTICULARS CONCERNING TENTATIVE COMMITMENTS (SHOULD SPECIFY THE AMOUNT, EFFECTIVE INTEREST RATE, THE MATURITY PERIOD, AND PREPAYMENT PROVISIONS). **SEE SUPPLEMENTAL INFORMATION, EXHIBIT 4**

D IN ABSENCE OF FINANCING PROPOSALS IN THE FORM DESCRIBED IN C ABOVE ATTACH A FINANCING PLAN AS DESCRIBED IN THE ~~COMPANION FORM~~

General Guidelines, Section II C

NOTE: The applicant has been negotiating with the Sisters of the Sacred Heart for the purchase of the land and academic facility which is the subject of this application. The tentative commitments arising from these negotiations are detailed in Exhibit 4. One of the tentative terms is a down-payment of \$250,000. Concerning this aspect of the financing, the College has not obtained tentative commitments. Therefore, a financing plan for this aspect of the transaction is submitted as Exhibit 5.

- Also See Ltr Of 5/4/71

THE UNDERSIGNED HEREBY CERTIFIES THAT HE IS AUTHORIZED TO SUBMIT THE SUPPLEMENTAL INFORMATION CONTAINED HEREIN ON BEHALF OF THE APPLICANT FOR THE PURPOSE OF REQUESTING ANNUAL INTEREST GRANT SUPPORT ON THE SUBJECT PROJECT.

SIGNATURE	TYPED NAME AND TITLE Rafael E. Garcia Bottari, President	DATE 2-12-71
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---NUMERO DOSCIENTOS (200) -----

-----HIPOTECA VOLUNTARIA-----

---En la ciudad de San Juan, Estado Libre Asoc--
ciado de Puerto Rico, a veinte y seis de abril --
de mil novecientos sesenta y seis. -----

-----ANTE MI-----

---JORGE M. MORALES, ----- Abogado y Notario --
Público de Puerto Rico, con oficina abierta en ---
San Juan y residencia en San Juan, Puerto Rico. ---

---DE UNA SOLA PARTE: CONGREGACION DE LAS MADRES--
DEL SAGRADO CORAZON DE JESUS EN PUERTO RICO, que -
es una asociación sin fines pecuniarios, organiza--
da de acuerdo con las leyes del Estado Libre Asoc--
ciado de Puerto Rico, con oficina principal en --
esta ciudad, representada en este acto por la ---
Superiora Vicaria Reverenda Madre Carmen Ma. -----
Anduze, quien es mayor de edad, célibe y vecina -
de San Juan, Puerto Rico; -----

(denominados de aquí en adelante los DEUDORES ---
HIPOTECARIOS). -----

---Asegúranme los comparecientes hallarse en el --
completo goce de sus derechos civiles y teniendo -
a mi juicio, capacidad legal suficiente para este
otorgamiento, libremente -----

-----EXPONEN-----

---PRIMERO: Que los DEUDORES HIPOTECARIOS son ---
dueños en pleno dominio del siguiente inmue-----
ble: -----

---"URBANA: Predio de terreno radicado en el ba---
rrio de Santurce y sitio denominado Martín Peña y --
Pastorcillo, conocido o inscrito como "Estancia ----
San José", del término municipal de San Juan, -----
Puerto Rico, con una cabida de CIENTO TREINTA Y ----
CINCO MIL DOSCIENTOS OCHENTA Y DOS METROS Y TRES ---
MIL DOSCIENTOS CINCUENTA Y SIETE DIEZ MILESIMAS DE -
METRO CUADRADO, según el Registro de la Propiedad, -
cabida a que ha quedado reducida esta finca en -----
virtud de segregaciones hechas a la misma, que -----
constan inscritas en el Registro, y según plano de -
mensura levantado por el Ingeniero Ignacio Carbia, -
Licencia número mil trescientos setenta y cinco, y -
por Rafael Bonnin, Licencia número mil ochocientos -
cincuenta, fechado en julio veintiocho de mil -----
novecientos sesenta y cuatro, de una cabida de CIENTO
VEINTISIETE MIL NOVECIENTOS CUARENTA Y DOS METROS --
Y DIECISEIS CENTIMETROS, equivalentes a TREINTA Y --
DOS CUERDAS Y QUINIENTOS CINCUENTA Y DOS MILESIMAS -
DE CUERDA; colindando, según el Plano, por el -----
NORTE, con una verja de hormigón y casas, que los --
separan de la Avenida Eduardo Conde, en parte, y ---
con terrenos del Gobierno Municipal de San Juan, ---
que lo separan de la referida Avenida Eduardo -----
Conde; por el SUR, con la Calle San Antonio, en -----
parte, y con casas que lo separan, en parte, de la -
Calle del Sagrado Corazón; por el ESTE, en parte, ---
con terrenos del Gobierno Municipal de San Juan, y -
con casas que lo separan de la Calle Sagrado -----
Corazón, y también con la Calle Rambla Monte -----
Flores, separada de este predio por casas y -----

solares; por el OESTE, en parte con casas y en ---
parte con verja de hormigón, que separan este -----
predio de la Calle Bourat. -----

---Contiene varios edificios." -----

---Inscrita en el Registro de la Propiedad, Sec---
ción de San Juan, al folio ciento veinte (120) ----
del tomo ciento ochenta y ocho (188) de Santurce --
Norte, finca siete mil seiscientos veintitrés -----
(7,623), inscripción primera.-----

---En el descrito predio de terreno se han construf---
do recientemente ocho edificios de concreto. -----

---SEGUNDO: Que LOS DEUDORES HIPOTECARIOS en es---
ta misma fecha han suscrito dos pagarés a la or---
den del GOVERNMENT DEVELOPMENT BANK FOR PUERTO ---
RICO (BANCO GUBERNAMENTAL DE FOMENTO PARA PUERTO ---
RICO), institución bancaria organizada de acuerdo --
con la LEY DIEZ Y SIETE del Estado Libre Asociado --
de Puerto Rico, aprobada el veinte y tres de sep---
tiembre de mil novecientos cuarenta y ocho, -----

(denominado de aquí en adelante como EL ACREEDOR-
HIPOTECARIO), cuyos pagarés se relacionan como si---
gue: -----

---PAGARE NUMERO UNO (1) - Pagaré suscrito en esta---
fecha por los DEUDORES HIPOTECARIOS, a la orden ----
de 1 BANCO GUBERNAMENTAL DE FOMENTO PARA PUERTO ---
RICO, -----

por la suma principal de CIENTO MIL DOLARES -----
(\$100,000.00), -----

intereses al SEIS (6%) -----POR CIENTO ANUAL --
y al SIETE (7%) -----POR CIENTO ANUAL en caso --
de incumplimiento o vencimiento, pagadero el princi-
pal e intereses en plazos mensuales de TRES MIL --
CUARENTA Y DOS DOLARES CON DIEZ Y NUEVE CENTAVOS ----
(\$3,042.19), -----

comenzando el primero de junio ----- del año --
mil novecientos sesenta y seis ---, y a terminar
el primero de mayo ----- del año mil nove---
cientos sesenta y nueve ---, convirtiéndose en di-
cho pagaré una penalidad equivalente al DIEZ POR --

CIENTO de la cantidad de dicho pagaré para costas, gastos y honorarios de abogado en caso de acción judicial para su cobro. -----

---PAGARE NUMERO DOS (2) - Pagaré suscrito en -----
esta fecha por los DEUDORES HIPOTECARIOS, a la -----
orden de 1 BANCO GUBERNAMENTAL DE FOMENTO PARA -----
PUERTO RICO, -----

por la suma principal de NOVECIENTOS MIL DOLARES -----
(\$900,000.00), -----

intereses al SEIS (6%) ----- POR CIENTO -----
ANUAL y al SIETE (7%) ----- POR CIENTO ANUAL -----
en caso de incumplimiento o vencimiento, pagadero -----
el principal e intereses en plazos mensuales de -----
SIETE MIL CUARENTA Y SIETE DOLARES CON NOVENTA Y UN -----
CENTAVOS (\$7,047.91), -----

comenzando el primero de junio ----- del año -----
mil novecientos sesenta y nueve ----- y a terminar -----
el primero de mayo ----- del año mil nove-----
cientos ochenta y seis -----, conviniéndose en dicho
pagaré una penalidad equivalente al DIEZ POR CIENTO-----
de la cantidad de dicho pagaré para costas, gastos-----
y honorarios de abogado en caso de acción judicial -----
para su cobro. -----

---Copia fiel y exacta de estos pagarés (los cua-----
les se denominan de aquí en adelante los PAGARES) --
se unen a esta escritura y se hacen formar parte ---
de la misma. -----

-----HIPOTECA EN GARANTIA DE LOS PAGARES-----

---(1) Para garantizar los PAGARES, con sus inte-----
reses convenidos y los de mora, hasta su completo --

pago y la suma convenida para costas, gastos y ----
 honorarios de abogado los DEUDORES HIPOTECARIOS ----
 por la presente constituyen hipoteca voluntaria ----
 sobre el inmueble antes descrito, con sus adifi----
 caciones, estructuras, mejoras, anexos, pertenen----
 cias, existentes en la actualidad o que se insta----
 len en el futuro, usados o que se usen por los ----
 DEUDORES HIPOTECARIOS en conexión con su negocio ----
 o industria en dicha propiedad. Estos bienes ----
 constituyen la PROPIEDAD HIPOTECADA y así se las ----
 designa de aquí en adelante. -----
 ---Esta hipoteca será inscrita en el Registro de ----
 la Propiedad correspondiente, libre de defectos ----
 y con el carácter de primera, a menos que expresa--
 mente se relacionen en esta escritura otras cargas -
 o gravámenes preferentes. -----
 ---Para la primera subasta en caso de venta judi----
 cial por ejecución, los DEUDORES HIPOTECARIOS ----
 tasarán la PROPIEDAD HIPOTECADA en una suma equiva----
 lente al PRINCIPAL de LOS PAGARES aquí garantiza----
 dos con hipoteca. -----
 --- (2) - En todo tiempo durante el término de es----
 ta hipoteca los DEUDORES HIPOTECARIOS manten-----
 drán aseguradas las edificaciones, estructuras, ----
 mejoras, anexos, pertenencias y demás bienes de ----
 la PROPIEDAD HIPOTECADA, en la forma y por las ----
 cantidades y contra los riesgos y en las compa-----
 ñías que requiera el ACREEDOR HIPOTECARIO. El ----
 producto de tal seguro en caso de siniestro se-----
 rá pagadero al ACREEDOR HIPOTECARIO bajo la cláu----
 sula conocida como "Standard Mortgage Clause" y ----
 las pólizas que evidencian dicho seguro o dupli-----
 cados de las mismas serán entregadas al ACREEDOR ---

(k) Incumplimiento de cualquiera de las cláusulas del documento de primera hipoteca otorgada en este día para garantizar este pagaré.

Los suscribientes expresamente autorizan al tomador (payee) o tenedor de este pagaré y le confieren poder, a su opción para que en cualquier tiempo apropie y aplique al pago de este pagaré, o de cualquier otro pagaré u obligación o deuda que exista en esta fecha o que surja después de esta fecha de los suscribientes o de cualquiera de ellos con el tomador (payee) o tenedor de este pagaré, vencida o por vencer, todo dinero de los suscribientes o de cualquiera de ellos en posesión del tomador (payee) o tenedor de este pagaré en depósito o custodia o de otra forma, perteneciente a los suscribientes o a cualquiera de ellos.

Los suscribientes, si fueren mas de uno, serán mancomunada y solidariamente responsables en este pagaré. Los suscribientes y cada uno de ellos expresamente autorizan al tomador (payee) o tenedor de este pagaré y le confieren poder, para modificar, cambiar o alterar, la forma de pago de este pagaré y a relevar cualquier propiedad dada en garantía de este pagaré, sin que esto afecte o disminuya o altere la responsabilidad mancomunada y solidaria de cada uno de los suscribientes, quienes continuarán mancomunada y solidariamente responsables de este pagaré.

San Juan, Puerto Rico, a 26 de abril de 1966.

CONGREGACION DE LAS MADRES DEL SAGRADO
CORAZON DE JESUS EN PUERTO RICO

POR: CARMEN MA. ANDUZE, rscj.

Affidavit Núm. 68,590

Suscrito y reconocido ante mí en San Juan, Puerto Rico, en la fecha antes indicada, por la Reverenda Madre Carmen Ma. Anduze, rscj, en nombre y representación de la Congregación de Las Madres del Sagrado Corazón de Jesús en Puerto Rico, Superiora Vicaria, quien es mayor de edad, célibe y vecina de San Juan, Puerto Rico, a quien conozco personalmente.

J.M. MORALES

NOTARIO PUBLICO

PAGARE NUMERO DOS (2)

Por valor recibido pagaremos a la orden del BANCO GUBERNAMENTAL DE FOMENTO PARA PUERTO RICO, en su oficina principal de San Juan, Puerto Rico, la suma de **NOVECIENTOS MIL DOLARES (\$900,000.00)** -----

con intereses al **SEIS (6%)** ----- POR CIENTO ANUAL pagaderos mensualmente. En caso de vencimiento o incumplimiento este pagaré devengará intereses al **SIETE (7%)** ----- POR CIENTO ANUAL desde el vencimiento o incumplimiento.

Estos intereses serán pagaderos mensualmente el día **primero** de cada mes hasta el día **primero** de **mayo** de mil novecientos **sesenta y nueve**. Desde esa fecha el principal y los intereses de este pagaré se pagarán en plazos mensuales de **SIETE MIL CUARENTA Y SIETE DOLARES CON NOVENTA Y UN CENTAVOS (\$7,047.91)** -----

cada uno, comenzando el día **primero** de **junio** de mil novecientos **sesenta y nueve**, y el mismo día de todos los meses subsiguientes hasta que el principal y los intereses de este pagaré hayan sido totalmente pagados, excepto que el pago final de toda la deuda evidenciada por este pagaré vencerá y será pagadera el día **primero** de **mayo** de mil novecientos **ochenta y seis**.

Este pagaré está garantizado por hipoteca constituida según escritura otorgada en esta misma fecha ante el Notario don **Jorge M. Morales**.

Cualquier otra propiedad, o interés en propiedad, o derechos incorporales o valores o dineros de los suscribientes, o de cualquiera de ellos, en posesión o custodia del tomador (payee) o tenedor de este pagaré, en esta fecha o después de esta fecha, quedan por la presente pignorados para garantizar este pagaré.

Pagaremos también una suma equivalente al **DIEZ POR CIENTO (10%)** del principal de este pagaré, como penalidad para costas, gastos y honorarios de abogado, en caso de acción judicial para el cobro de este pagaré, y nos sometemos expresamente a la competencia de cualquier tribunal que seleccione el tomador (payee) o tenedor de este pagaré.

Expresamente relevamos al tomador (payee) o tenedor de este pagaré de su obligación de prestar fianza en el caso de acción judicial para el cobro de este pagaré si dicho tomador (payee) o tenedor solicitare orden del tribunal para el aseguramiento de la efectividad de la sentencia de acuerdo con las leyes de Puerto Rico.

El tomador (payee) o tenedor de este pagaré puede declarar este pagaré vencido y pagadero antes de su vencimiento de ocurrir cualquiera de los siguientes eventos.

- (a) No se pague a su vencimiento los intereses mensualmente o cualquiera de los plazos para principal e intereses;
- (b) No se pague a su vencimiento cualquier contribución sobre cualquier propiedad gravada para garantizar este pagaré;
- (c) No se mantenga asegurado a favor del tomador (payee) o tenedor de este pagaré, contra los riesgos y por las cantidades requeridas por dicho tomador (payee) o tenedor, cualquier propiedad gravada para garantizar este pagaré;
- (d) Embargo o ejecución de cualquier propiedad de los suscribientes, o de cualquiera de ellos;
- (e) Insolvencia o sindicatura de los suscribientes o de cualquiera de ellos;
- (f) Disolución, terminación o liquidación de los suscribientes o de cualquiera de ellos;
- (g) Venta, traspaso o cesión de cualquier propiedad gravada en garantía de este pagaré.
- (h) Procedimiento de acuerdo con la ley federal de quiebra contra los suscribientes o contra cualquiera de ellos;
- (i) Vencimiento o incumplimiento de cualquier otro pagaré, deuda, u obligación de los suscribientes con el tomador (payee) o tenedor de este pagaré;
- (j) Que se determine que cualquier información o representación hecha por los suscribientes o cualquiera de ellos al tomador (payee) para inducir a éste a conceder el préstamo evidenciado por este pagaré, resultase falsa e incierta en parte o totalmente.

(k) Incumplimiento de cualquiera de las cláusulas del documento de primera hipoteca otorgada en este día para garantizar este pagaré.

Los suscribientes expresamente autorizan al tomador (payee) o tenedor de este pagaré y le confieren poder, a su opción para que en cualquier tiempo apropie y aplique al pago de este pagaré, o de cualquier otro pagaré u obligación o deuda que exista en esta fecha o que surja después de esta fecha de los suscribientes o de cualquiera de ellos con el tomador (payee) o tenedor de este pagaré, vencida o por vencer, todo dinero de los suscribientes o de cualquiera de ellos en posesión del tomador (payee) o tenedor de este pagaré, en depósito o custodia o de otra forma, perteneciente a los suscribientes o a cualquiera de ellos.

Los suscribientes, si fueren mas de uno, serán mancomunada y solidariamente responsables en este pagaré. Los suscribientes y cada uno de ellos expresamente autorizan al tomador (payee) o tenedor de este pagaré y le confieren poder, para modificar, cambiar o alterar, la forma de pago de este pagaré y a relevar cualquier propiedad dada en garantía de este pagaré, sin que esto afecte o disminuya o altere la responsabilidad mancomunada y solidaria de cada uno de los suscribientes, quienes continuarán mancomunada y solidariamente responsables de este pagaré.

San Juan, Puerto Rico, a 26 de abril de 1966.

CONGREGACION DE LAS MADRES DEL SAGRADO
CORAZON DE JESUS EN PUERTO RICO

POR: CARMEN MA. ANDUZE, rscj.

Affidavit Núm. 68,589

Suscrito y reconocido ante mí en San Juan, Puerto Rico, en la fecha antes indicada, por la Reverenda Madre Carmen Ma. Anduze, rscj, en nombre y representación de la Congregación de Las Madres del Sagrado Corazón de Jesús en Puerto Rico, Superiora Vicaria, quien es mayor de edad, célibe y vecina de San Juan, Puerto Rico, a quien conozco personalmente.

J.M.MORALES

NOTARIO PUBLICO

PAGUESE A LA ORDEN DEL BANCO CREDITO Y AHORRO PONCEÑO -
WITHOUT RECOURSE.

Banco Gubernamental de Fomento Para Puerto Rico

POR: MARIO E. RODRIGUEZ

PAGARE NUMERO UNO (1)

Por valor recibido pagaremos a la orden del BANCO GUBERNAMENTAL DE FOMENTO PARA PUERTO RICO, -----

en su oficina principal de San Juan, Puerto Rico, -----

la suma de CIEN MIL DOLARES (\$100,000.00) -----

con intereses al SEIS POR CIENTO (6%) -----

mensualmente. En caso de vencimiento o incumplimiento este pagaré deven- ANUAL pagaderos
gará intereses al SIETE POR CIENTO (7%) ----- ANUAL desde el ven-
cimiento o incumplimiento.

El principal y los intereses de este pagaré serán pagaderos en pla-
zos mensuales de TRES MIL CUARENTA Y DOS DOLARES CON DIEZ Y NUEVE CEN-
TAVOS (\$3,042.19) -----

comenzando el día primero de junio de mil novecientos

sesenta y seis --- y el mismo día de todos los meses subsiguientes hasta
que el principal y los intereses de este pagaré hayan sido totalmente pa-
gados, excepto que el pago final de toda la deuda evidenciada por este
pagaré vencerá y será pagadera el día primero de mayo de mil
novecientos sesenta y nueve.

Este pagaré está garantizado por hipoteca constituida según escritu-
ra otorgada en esta misma fecha ante el Notario don Jorge M. Morales.

Cualquier otra propiedad, o interés en propiedad, o derechos incor-
porales, o valores o dineros de los suscribientes, o de cualquiera de
ellos, en posesión o custodia del tomador (payee) o tenedor de este paga-
ré, en esta fecha o después de esta fecha, quedan por la presente pigno-
rados para garantizar este pagaré.

Pagaremos también una suma equivalente al DIEZ POR CIENTO (10%) del
principal de este pagaré como penalidad para costas, gastos y honorarios
de abogado, en caso de acción judicial para el cobro de este pagaré, y
nos sometemos expresamente a la competencia de cualquier tribunal que se-
leccione el tomador (payee) o tenedor de este pagaré.

Expresamente relevamos al tomador (payee) o tenedor de este pagaré de
su obligación de prestar fianza en el caso de acción judicial para el co-
bro de este pagaré si dicho tomador (payee) o tenedor solicitara orden del
tribunal para el aseguramiento de la efectividad de la sentencia de acuer-
do con las leyes de Puerto Rico.

El tomador (payee) o tenedor de este pagaré puede declarar este paga-
ré vencido y pagadero antes de su vencimiento de ocurrir cualquiera de
los siguientes eventos.

- (a) No se pague a su vencimiento los intereses mensuales o cual-
quiera de los plazos para principal e intereses;
- (b) No se pague a su vencimiento cualquier contribución sobre
cualquier propiedad gravada para garantizar este pagaré.
- (c) No se mantenga asegurado a favor del tomador (payee) o tene-
dor de este pagaré, contra los riesgos y por las cantidades
requeridas por dicho tomador (payee) o tenedor, cualquier pro-
piedad gravada para garantizar este pagaré.
- (d) Embargo o ejecución de cualquier propiedad de los suscribien-
tes o de cualquiera de ellos.
- (e) Insolvencia o sindicatura de los suscribientes o de cualquiera
de ellos;
- (f) Disolución, terminación o liquidación de los suscribientes o de
cualquiera de ellos;
- (g) Venta, traspaso o cesión de cualquier propiedad gravada en ga-
rantía de este pagaré;
- (h) Procedimientos de acuerdo con la ley federal de quiebra con-
tra los suscribientes o contra cualquiera de ellos;
- (i) Vencimiento o incumplimiento de cualquier otro pagaré, deuda, u
obligación de los suscribientes con el tomador (payee) o tene-
dor de este pagaré.
- (j) Que se determine que cualquier información o representación
hecha por los suscribientes o cualquiera de ellos al tomador
(payee) para inducir a éste a conceder el préstamo evidenciado
por este pagaré, resultase falsa o incierta en parte o total-
mente.

---Así lo dicen y otorgan ante mí los comparecientes en un solo acto. -----

---Hechas por mí, el Notario, las advertencias legales pertinentes y leída por mí esta escritura a los otorgantes por renuncia que hicieron del derecho --- a leerla por sí, del que les advertí, dichos otor--- gantes la aceptan en la forma en que está redactada y todos la firman conmigo, habiendo además los otor--- gantes puesto sus iniciales en todos y cada uno de los folios de esta escritura. -----

---Esta escritura se otorga sin testigos por haberlo dispuesto así los otorgantes. -----

---Y de mi conocimiento personal de los otorgantes y por sus dichos de sus circunstancias personales y vecindad, así como de todo lo demás consignado en este instrumento público, yo, el Notario, DOY FE. --

---FIRMADO: CARMEN MA. ANDUZE, rscj.-----

3
las contribuciones, recargos o penalidades sin -----
estar obligado a inquirir sobre la validéz de las -
mismas. Los DEUDORES HIPOTECARIOS reembolsarán ---
al ACREEDOR HIPOTECARIO el importe de dichos -----
pagos a requerimiento de éste, con intereses al ---
OCHO POR CIENTO ANUAL. Para garantizar el -----
pago por parte de los DEUDORES HIPOTECARIOS -----
al ACREEDOR HIPOTECARIO de cualquier cantidad -----
que éste adelante para el pago de primas de -----
seguro o de contribuciones o recargos, de acuerdo -
con los términos de esta cláusula los DEUDORES ---
HIPOTECARIOS amplían la hipoteca aquí constituida -
a una suma adicional equivalente a un DIEZ POR ----
CIENTO de la cantidad de los PAGARES. -----

---(8) - Todas las cláusulas o parte de cláusula --
de esta escritura son esenciales y el ACREEDOR ---
HIPOTECARIO podrá declarar los PAGARES vencidos y -
pagaderos por incumplimiento de cualquier -----
cláusula o parte de cláusula de esta escritura. ---

---Los PAGARES podrán ser declarados vencidos -----
de resultar falsos los informes o representacio---
nes hechos por los DEUDORES HIPOTECARIOS al -----
ACREEDOR HIPOTECARIO para inducir a éste a conce---
der el préstamo evidenciado por los PAGARES. -----

prontamente en cualquier tiempo a requerimiento ---
 del ACREEDOR HIPOTECARIO estados o informes car---
 tificados por un Contable Público Autorizado, o ---
 en otra forma, de los libros, cuentas o bienes ---
 de los DEUDORES HIPOTECARIOS. Sin necesidad de ---
 requerimiento los DEUDORES HIPOTECARIOS suplirán ---
 anualmente al ACREEDOR HIPOTECARIO a la terminación---
 de su año económico con un estado financiero y ---
 un estado de ganancias y pérdidas, ambos estados ---
 certificados por un Contable Público Autorizado, ---
 ---Todos los libros de contabilidad y los records ---
 de los DEUDORES HIPOTECARIOS se mantendrán y ---
 conservarán en Puerto Rico. -----

---(6) LOS DEUDORES HIPOTECARIOS podrán satisfacer
 el PAGARE NUMERO DOS, por la cantidad de NOVECIE---
 TOS MIL DOLARES (\$900,000.00) -----
 antes de su vencimiento mediante el pago de una pe-
 nalidad equivalente al CINCO POR CIENTO del balance-
 adeudado de dicho PAGARE. Los DEUDORES HIPOTECA---
 RIOS no vendrán obligados a pagar esta penalidad --
 si el pago anticipado fuere a consecuencia del cum-
 plimiento de cualquier cláusula de aceleración de -
 pago contenida en esta escritura, o si el pago se -
 hiciera mientras el Government Development Bank ---
 for Puerto Rico sea dueño de dicho PAGARE. -----

---(7) En caso de que los DEUDORES HIPOTECARIOS ---
 no mantengan la PROPIEDAD HIPOTECADA asegurada ---
 o no paguen a su vencimiento las contribuciones ---
 como se dispone antes en esta escritura, el -----
 ACREEDOR HIPOTECARIO puede a su opción, pero -----
 sin estar obligado a ello, obtener dicho seguro y -
 pagar las primas del mismo y pagar también -----

HIPOTECARIO. En caso de pérdida bajo dichas pólizas el producido por dichas pólizas que reciba el ACREEDOR HIPOTECARIO, será acreditado a principal e intereses de LOS PAGARES, a elección del ACREEDOR HIPOTECARIO. -----

---(3) LOS DEUDORES HIPOTECARIOS se comprometen a pagar a su vencimiento todas las contribuciones y recargos que en cualquier tiempo durante el término de esta hipoteca se impongan contra LOS DEUDORES HIPOTECARIOS en relación con la PROPIEDAD HIPOTECADA o cualquier parte de la misma. ---

---(4) Durante el término de esta hipoteca los DEUDORES HIPOTECARIOS preservarán la PROPIEDAD HIPOTECADA y la mantendrán en buen estado de reparación y pintura y harán las reparaciones y mejoras necesarias para mantener la misma en el valor que actualmente tiene; no permitirán deterioro, destrucción o alteración de la PROPIEDAD HIPOTECADA o que la misma se convierta en un estero público; cumplirán con todas las leyes, ordenanzas y reglamentos gubernamentales y no permitirán que ésta se usa o utilice para otros usos diferentes a los actuales, y no recogerán de la misma cualquier edificación, estructura, mejora, pertenencia, anexo u objeto alguno. En todo tiempo razonable el ACREEDOR HIPOTECARIO tendrá acceso a la PROPIEDAD HIPOTECADA para inspeccionarla. ---

---(5) LOS DEUDORES HIPOTECARIOS mantendrán un sistema de contabilidad que sea satisfactorio al ACREEDOR HIPOTECARIO y permitirán a éste inspeccionar en cualquier tiempo los libros, cuentas y bienes de los DEUDORES HIPOTECARIOS y cumplirán -----