

ISABELA BEACH COURT - RULES AND REGULATIONS

ISABELA, PUERTO RICO

CHAPTER I

CONSTITUTION

Article 1 - These Regulations are incorporated and form part of the master deed, by means of which the residential complex ISABELA BEACH COURT is subject to the Horizontal Property Regime.

Article 2 - ISABELA BEACH COURT shall be governed by the provisions of the applicable laws, by the master deed and by these Regulations.

CHAPTER II

APPLICABILITY

Article 3 - The provisions of these Regulations are applicable to all land, buildings and premises of the Condominium and to all present and future owners of the apartments, as well as to tenants, guests, visitors, invitees, employees and any person who is present or uses the Condominium facilities for any reason or title, and the presence in the Condominium of any person implies the acceptance and obligation to comply with these Regulations.

CHAPTER III

COUNCIL OF OWNERS

Article 4 - The Council of Owners is the supreme body of the Condominium in which resides its full and absolute sovereignty. Its resolutions and agreements, taken with any and all legal formalities, are of unavoidable and inexcusable compliance by each and every owner and other persons present in the Condominium or related to it.

Article 5 – The Council of Owners is constituted by all the owners of the apartments comprising the Condominium. The person or persons in whose name an apartment is registered in the Property Registry will be considered as its owner, and therefore, as the owner, for all corresponding legal aspects.

Article 6 – Book of Owners - Transfers of ownership of apartments will be recorded in the Book of Owners upon presentation of a copy of the public deed by which the apartment

is transferred, and a copy of the deed must be submitted for the Condominium's files, and complying with all other requirements established in the Condominium Law.

The Secretary will oversee the Book of Owners, and it will include the full name of the owners, or juridical person, the number of their apartment and the percentage that corresponds to them in accordance with the master deed, the signature of the owner, contact telephone numbers, street address, mailing address, email address, and the preferred method of notification of matters pertaining to the apartment. The Secretary will have the Book of Owners in every meeting of the Council of Owners and it may be inspected by any unit owner.

The Book of Owners shall constitute prima facie evidence of who are the owners entitled to vote at the meetings of the Council of Owners.

The information gathered in the Book of Owners shall remain protected for strictly administrative uses. The owners shall have access, at least, to the name, email address, and mailing address of the persons constituting the community of owners for purposes of calling a meeting of the Council of Owners. Owners may authorize the Board of Directors to provide more information for purposes of calling a meeting by one of the owners. Upon his inclusion in this book, the acquirer of the apartment may participate in and vote at the meetings of the Council of Owners.

Article 7 – Powers and Duties of the Council of Owners - It is the duty of the Council of Owners to:

a. Elect, by a majority affirmative vote the persons that shall hold the following positions: nine (9) Directors who will be occupying the positions of President, Vice-President, Treasurer, Vice-Treasurer, Secretary, Vice-Secretary and three (3) vocals. The Directors will need to be owners. All Directors will be appointed for a term of one (1) year and will fulfill their positions and obligations in accordance with the provisions of the Condominium Law.

The attorney-in-fact of an owner or the Representative of a Corporate Owner may only be elected to occupy the position of Vocal, as long as he/she certifies an express mandate, by power of attorney and registered in the Registry of Powers and Wills of Puerto Rico.

b. Agree upon and approve the annual budgets of income and expenditures and common charges and expenses.

c. Amend these Regulations by agreement of two thirds (2/3) of the Owners. Any modifications to the master deed shall require the unanimous consent of all owners.

d. Hear and decide on all matters of general interest to the Condominium and agree upon the necessary and convenient measures for the best service of the Condominium.

e. Hear complaints and grievances of owners against Directors or the Administrator and remove Directors and Administrator.

f. Approve the execution of ordinary or extraordinary works defined as either improvement works, special works (which may require a special assessment), works to address a "state of emergency", urgent works and any other conservation and esthetics works and obtain funds for their execution.

g. All construction work to be carried out in an apartment will be notified to the Administrator and the Board of Directors at least three (3) days in advance.

When the construction work requires placing concrete in the structure, breaking internal or external walls of the apartment, as well as any work that could affect the integrity and safety of the buildings, the owner must present to the Administrator and Board of Director the permits approved by the Permit Management Office (OGPe) or a certification from a licensed engineer or architect stating that such construction does not require OGPe permits and does not affect the structure and integrity of the building. All documents presented to the Board of Directors will be considered to determine if such construction requires the authorization of the Council of Owners. The documents must be presented to the Administrator and the Board prior to beginning work.

h. Any owner who disagrees with a determination of the Administrator or the Board Directors can complain directly to the Department of Consumer Affairs (DACO by its Spanish Acronym). The complaint to DACO must be filed within thirty (30) days of knowledge of the action or omission being challenged, in accordance with the provisions of the Condominium Law.

If an owner chooses to submit a reconsideration to the Board of Directors prior to submitting his claim to DACO, he will do so within fifteen (15) days of receiving notification from the Board of Directors. In such cases the Board of Directors will issue its final determination within ten (10) days of receiving the reconsideration request. As of the final determination of the Board, the owner may present his claim to DACO within thirty (30) days of the final notice.

The decision of the Council of Owners, at a duly called meeting, being sovereign, shall not be subject to review by the Board of Directors.

Article 8 – Meetings of the Council of Owners - The Council of Owners will meet at least once a year, in an ordinary assembly, to approve the budget, the financial statements, elect board of directors and executive positions and other matters specified in the meeting notice.

This annual meeting is held every year on the first Saturday of March, at the time and place determined by the Board of Directors. The Council of Owners may also meet in extraordinary sessions at the discretion of the President, or as requested in writing to him/her, by a majority of the Board of Directors or by at least a fifth of the owners.

Article 9 – Notice of Meeting – The notices for the assembly meetings of the Council of Owners will be signed by the President and the Secretary and will indicate the matters to be discussed, as well as the date, time and place where it will take place.

Meetings shall be called in writing and notice as requested by each owner in the Registry of Owners, by email, letter or any other means; provided, that the administration is able to validate the delivery thereof.

The notice of the date of the regular ordinary annual meeting and extraordinary non-emergency meetings, shall be given not less than fifteen (15) days in advance, with meeting materials sent a minimum of fifteen (15) days in advance. The notice for extraordinary emergency or urgent meetings shall be given according to the Law.

The Council of Owners may validly meet, even without notice, provided that all owners are present. It shall not be necessary to hold a meeting of the Council of Owners for a specific purpose if all the owners entitled to vote waive the holding of such meeting and consent in writing to the adoption of the relevant resolution. Attendance to the meetings of

the Council of Owners shall be in person or by proxy, being sufficient to accept the latter when presented in writing signed by the Owner for each meeting and shall not be dated more than to three (3) months in advance, and complying with all the requirements established in the Condominium Law.

Said meetings may not be called to be held within regular business hours.

During a state of emergency or as permitted by law, meetings can be held via electronic conference platforms such as Zoom or Microsoft Teams as long as electronic voting is recordable and as long as there is an option to join in person as a group if an owner is not able to join via electronic system.

Article 10 – Votes - Each owner shall be entitled to vote the percentage corresponding to the apartment or apartments owned. If an apartment belongs to several owners pro indiviso, they shall appoint only one (1) person to represent the common interest. Absent a designation in writing of the owners' representative, the vote cast on behalf of said apartment on the decisions of the Council of Owners shall not be recorded. The designated person shall be the only one who may represent another owner. Proxy votes will comply with all the requirements established by the Condominium Law. If an owner owns more than one apartment, they shall be entitled to ONE VOTE, regardless of the number of apartments owned. Their percentage will be calculated as the highest percentage of any of the apartments that the owner owns.

Any owner owing three (3) or more payments of maintenance fees, and/or special assessments, and/or fines past due sixty (60) days or more, and/or master insurance policy for any of the apartments he owns, shall be temporarily prevented from exercising his right to vote, expressing his consent or opinion at the meetings of the Council of Owners until the debt is paid off or the Treasurer certifies that the owner is current on his payment plan approved by the Board of Directors before the meeting in question.

The power to represent an owner gives the right to vote but not to make expressions or make proposals.

When one (1) or more apartments belong to a legal entity, this includes corporations, limited liability corporations (LLC) and any other type of legal entity, it will designate, through corporate resolution, the person who will represent it to attend the assemblies and exercise

the right to vote that corresponds to them. In the absence of the corporate resolution, the vote of that apartment cannot be recorded in the decisions of the Council of Owners. The corporate resolution must be delivered at least twenty-four (24) hours before the date of the meeting. An owner cannot designate a legal entity as agent, he/she may only designate natural persons. In the event that an owner wishes to designate the agent of a legal entity, it will be done through a power granted before a notary and registered in the Registry of Powers and Wills of Puerto Rico. The power to represent will conform to the mandate of the Condominium Law.

Article 11 – Majority of Owners and Council of Owners - The majority means more than half of the owners whose apartments in turn represent over fifty percent (50%) of the percentage of interest in the common elements, in accordance with the percentages allocated to the apartments.

Article 12 – Book of Minutes - The agreements of the Council shall be recorded in the book of minutes. The minutes shall necessarily include the place, date, and time of the meeting, the matters proposed, the number of owners present and their names, the manner in which the meeting was called, the text of the adopted resolutions, the votes in favor and against, and the explanatory votes of the votes or any statements which any owner may wish to state for the record. The minutes shall be signed at the end of the text by the President and the Secretary of the Board.

Article 13 – Meeting Format – Meetings shall be presided and directed by the President and if he or she is not present, by the Vice President, Treasurer, Vice Treasurer, Secretary, Vice Secretary, in their absence by a Vocal and if none of them is present, by an Interim President appointed by the majority of the owners present. If the Secretary or Vice-Secretary is not present, the majority of the owners will appoint an Interim Secretary.

The president may designate any persons deemed necessary to assist him in presiding over the meetings. The Board of Directors shall be empowered to require the presence of the Administrator, legal advisors, attorney, translator, parliamentarian, and/or any other person(s) who, given his knowledge, is able to contribute information about one (1) or more of the business in the agenda and/or helps all owners know and understanding the proceedings.

CHAPTER IV

BOARD OF DIRECTORS

Article 14 – The Board of Directors is composed of nine (9) Directors and constitutes the executive body of the Condominium. The Directors must be owners and may not appoint proxies to act in their place.

Article 15 - Powers and Duties – They shall have the following:

a. Address all that pertains to good governance, administration, surveillance, and operation of the Condominium in general, and especially what pertains to the elements of common use and general services, and to such effects, give timely warnings and admonitions to the owners.

b. Prepare the annual budget in a timely manner and submit it to the Council of Owners. The Board of Directors shall be responsible for ensuring that a copy of the annual budget is delivered to every owner, at least fifteen (15) days prior to the date of the meeting where such budget shall be submitted to the Council of Owners for approval.

c. Manage the financial matters pertaining to account receivables and payments, and keep an assets and liabilities book with a detailed account, in chronological order, of the receipts and expenditures affecting the property and its administration, specifying the maintenance and repair expenses of the common elements and to make both the book and the entries made thereupon available for examination by all the owners at convenient hours and working days that shall be set and announced for general knowledge.

d. Collect from the owners the amounts they shall contribute to the common expenses and make all other necessary collections and payments, issuing the corresponding receipts and checks.

e. Open bank accounts as necessary in the name of the Council of Owners, wherein all the income of the regime shall be deposited within three (3) business days of receiving; to draw checks against said account to meet all necessary payments, but ensuring they are not drawn to the bearer and that each one has its corresponding receipt or voucher.

f. Submit for the approval of the Council of Owners the financial statements corresponding to the last fiscal year or any year that has not been previously approved. The financial statements must include all the concepts required by the Condominium Law.

g. Manage the upkeep of the property and provide for regular repairs, in accordance with the annual budget approved by the Council of Owners, and adopt measures as are necessary upon the approval of the Council of Owners regarding special repairs.

h. Ensure that the book of owners is kept up to date and accurate.

i. Comply and enforce compliance with the provisions of Condominium Law, the Bylaws, the master deed, and the agreements of the Council of Owners.

j. Fill vacancies of members of the Board of Directors subject to revocation by the Council of Owners.

k. Any other powers assigned thereto in the bylaws or by the Council of Owners.

l. Appoint the Administrator Agent by delegation of the Council of Owners and remove the Administrator Agent for good cause or in accordance with the law and/or its contractual provisions. The Board of Directors may delegate to the Administrator any of its powers.

m. Provide owners, insurers, holders and guarantors of mortgage loans with all the information they may require in connection with the Condominium.

n. Impose penalties up to one hundred dollars (\$100) per violation on the owner, occupant, resident, visitor, or supplier who breaches the rules of peaceful coexistence established in the master deed, the Act, or the bylaws. Every new violation shall be notified to the fined owner and the manager of the apartment when consent is given in writing by the owner. If the rules of peaceful coexistence are violated by the occupant of a short-term rental, the fines shall be double the amount up to a maximum of two hundred dollars (\$200). Whenever any controversy on the validity and enforceability of a fine is finally solved, but the fine has not been paid, services shall be suspended just as in the case of non-payment of maintenance fees.

1. All imposed fines must be notified by the preferred method of notification of the owner.

2. The affected party may request reconsideration before the Board of Directors within fifteen (15) days of receiving notification of the fine. Likewise, the affected party could go directly to DACO within thirty (30) days from the notification of the fine or the final determination of the reconsideration, if any.
3. Upon expiration of said terms or upon exhaustion of the remedies available by law or the regulations, the fine shall become final and firm, and shall be collected immediately.

o. The Board of Directors shall have the power to verify any collection of the fine imposed, as if it were the collection of the maintenance fee, including the suspension of public utility services.

p. To establish a payment plan for owners who show to not have the financial capacity to make the payments on account of maintenance fees, special fees, assessments, and/or fines and which payments are past due sixty (60) days or more.

q. Outgoing directors or directors who have ceased their duties shall be required to participate, attend, and ensure that a transition process between the outgoing and incoming Boards of Directors is conducted, including their duty to provide, passwords, documents, data, books, records and any other information, whether on printed, electronic, or digital format, pertaining to the administration and good governance of the regime. All Condominium information will be maintained in the Condominium's electronic systems; no Board member may retain information about the owners and the Condominium on their personal computers once they finish their duties.

r. Condominiums submitted to the regime under 129 Act shall approve at a meeting and maintain a disaster and emergency plan, which shall be revised annually in accordance with the International Fire Code 2009. The plan shall include a description of what constitutes an emergency and the period thereof, as provided by the Emergency Management and Disaster Administration Bureau. Said revision shall be conducted in consultation with the state, municipal, and federal entities concerned with the protection of life and property. In addition, the necessary measures shall be taken to share said plan with all owners in the most efficient manner possible and with sufficient time to be evaluated and

understood. Such plan share includes the measures to be taken before, during and after a disaster.

s. In January of each year, each condominium shall notify the name and telephone number of the members of the Board of Directors and the Administrator to the appropriate Puerto Rico Police Bureau station, the Municipal Civil Defense, the Puerto Rico Firefighters Bureau station and the Department of Consumers Affairs, so that these entities may keep a registry of the persons to be contacted during an emergency. Likewise, condominiums shall approve a water and electricity rationing plan to be implemented during disasters or when a rationing is implemented by the agencies concerned, in order to ensure that such resources are equitably distributed among all apartments.

The administrator will provide any change of the Board of Directors to local authorities within thirty (30) days of such change.

Article 16 – Quorum – The majority of the members of the Board of Directors, in other words, five (5) Directors, constitute quorum. If at any Board meeting there is no quorum, a majority of those present may adjourn the meeting without further notice from time to time until a quorum is obtained.

Article 17 – Meetings – Meetings of the Board of Directors will be celebrated on the dates determined by the Board. Meetings may be called by the President with two (2) days' notice to each member in person or by email. The President or the Secretary, with equal notice, may call extraordinary meetings at the written request of any two (2) members of the Board.

A meeting of the Board may be held without notice immediately following the adjournment of the annual meeting of the Council of Owners. No notice is needed for meetings of the Board held on the dates established by the Board. Meetings may be held at any time, without notice, if all members of the Board are present, or if, before or after the meeting, those absent waive the notice in writing.

Article 18 Vote - Each member of the Board will have one (1) vote and resolutions shall be adopted with the majority of the votes of the Directors present.

Article 19 - Compensation -The members of the Board of Directors shall not receive any compensation for their services. The Board may authorize reimbursement to members

of the Board for expenses actually incurred on behalf of the Condominium or for advances made to the Condominium.

Article 20 – Vacancies and Removal – If the position of any member of the Board of Directors becomes vacant by reason of death or resignation, the other members of the Board, by majority of vote, shall appoint a substitute member to hold office for the unexpired term of the member he/she replaces. Any member may resign at any time. If a Director transfers his/her title as owner of his apartment, it shall be considered to have automatically relinquished his/her position. The Council of Owners will have the right at any time to remove any or all Directors with or without cause. If a Director is removed, the Council will elect another Director to occupy the vacancy.

CHAPTER V

EXECUTIVE POSITIONS

Article 21 – President and Vice-President in the absence of the former he or she will be the main executive of the Condominium and will have the following powers and duties:

- a. Preside over the meetings of the Council of Owners and the Board of Directors.
- b. Sign all contracts and documents on behalf of the Condominium that are authorized by the Council of Owners or by the Board of Directors.
- c. Convene the ordinary and extraordinary meetings of the Council or the Board of Directors.
- d. See that the books, reports, statements and other documents and procedures required by the laws and these Regulations are properly maintained and complied with.
- e. Submit an annual report of the operations of the Condominium to the Council of Owners in the annual ordinary meeting and from time to time inform to the Board of Directors of all matters of interest of the Condominium.
- f. Sign, jointly with the Secretary, the notices and minutes of the meetings of the Council of Owners and the Board of Directors. Sign jointly with the Treasurer all checks.
- g. Attend all the meetings of the Council of Owners and the Board of Directors and the Condominium.

h. Represent the Council of Owners, the Board of Directors and the Condominium in and out of court.

i. All other duties incidental and inherent to this position.

Article 22 - Treasurer and Vice Treasurer In the absence of the former - he or she shall have the following duties and powers:

a. Be the custodian, or supervise the hired accountant, of all accounts and banking instruments where the funds have been deposited or which represent funds of the Council of Owners, regardless of their source; safeguard the assets, and be responsible for compliance with the financial obligations.

b. Coordinate with the Administrator and/or hired accountant, the financial affairs of the Council of Owners, and ensure that all transactions affecting the assets and liabilities, and income and expenditures are entered chronologically and in detail in a book or application and/or computer programs and specifying the accounts that were affected, thus keeping proper accounting books.

Coordinate also that the information entered in said book as well as proof of the entries made therein are available for examination by all the owners, at convenient hours and days that have been notified to the community.

c. See that all checks, money, and securities of the Condominium are deposited in its name in the bank accounts designated by the Board of Directors and sign the checks with the President.

Payments and checks must be signed by at least two of the Directors named on the bank accounts designated by the Board of Directors

d. Coordinate and supervise with the Administrator and/or accountant to be contracted the collection from the owners of the amounts they shall contribute on account of common expenses and any other amount that must be paid by owners, and follow up on collection and payment efforts as necessary, issuing the appropriate receipts for the amounts credited as required, and register his signature as an authorized signature for checks drawn for the payment and disbursement of the obligations of the condominium.

e. Report to the President, Board of Directors and Council of Owners on his or her performance as Treasurer and on the financial situation of the Condominium.

- f. Attend all the meetings of the Council of Owners and the Board of Directors.
- g. Coordinate the drafting, together with the accountant to be contracted, or by himself, of the annual budget of income and expenditures projected for review by the Board of Directors, including the appropriate contribution to the reserve account, stating the maintenance fee based on the percentage of interest allocated to each owner.
- h. Comply with all other duties and powers established in the Condominium Law.

Article 23 – Secretary and Vice-Secretary in the absence of the former - he or she shall have the following duties and powers:

- a. Draft the notices and minutes for the meetings of the Council of Owners and the Board of Directors and notify the summons and minutes of the meetings according to the Condominium Law.
- b. Attend all the meetings of the Council of Owners and the Board of Directors and help the President to carry them out.
- c. Custody of and make available to the owners for review, as requested, any document of the Council that is in the records of the condominium.
- d. Sign, jointly with the President, the minutes of the meeting.
- e. Issue, in view of the minute books, all the necessary certifications, with the approval of the President.
- f. Keep at the disposal of the owners all documentation concerning the meetings of the Council of Owners and of the Board of Directors.
- g. All other functions and powers that are logically within his or her competence due to the nature of the position and those assigned by the Council of Owners, the Board of Directors, and the Condominium Law.

Article 24 - Vocals members – Shall have the following duties and powers:

- a. Attend all the meetings of the Council of Owners and the Board of Directors.
- b. Assist the other members of the Board in the exercise of their functions and perform duties entrusted to him/her by the Council of Owners and the Board of Directors.

CHAPTER VI

ADMINISTRATOR

Article 25 – The Administrator will be freely appointed and removed by the Council of Owners and Board of Directors by delegation of Council, and the appointment may be made to an individual or a corporation, whether or not an owner, that meets the appropriate qualifications. The Board will establish the remuneration.

Article 26 - The Administrator shall have the following duties and powers:

a. Address all that pertains to good governance, administration, surveillance, and operation of the Condominium, and especially what pertains to the common items and elements and general services.

b. As delegated by the Board of Directors, the Administrator can:

1. Manage the necessary financial matters pertaining to collections, payments and operations in accounting books with a detailed account of income and expense entries. These books, as well as the accounts, invoices and corresponding receipts shall be at the disposal of all the owners during working days and hours.

2. Collect from the owners the amounts with which they must contribute to the common or maintenance expenses and collect all other amounts owed to the Condominium and pay all debts of the Condominium, issuing the corresponding receipts and checks.

c. Formulate, when the interested parties have not done so, the complaints and claims for violations of the rules of coexistence and violations of these Regulations.

d. Responsible for the conservation and operation of the various Condominium facilities, especially those of common use, as well as for their surveillance.

e. Call to the attention in writing in an appropriate manner any owner, tenant or occupant who violates the provisions regarding the use of the common elements and the rules of coexistence established in these Regulations, with a copy to the Board of Directors.

f. Prepare, maintain and file all records and reports required by law and these Regulations.

g. Comply with and enforce compliance with the laws, these Regulations and the resolutions of the Council of Owners and the Board of Directors.

h. Take care of the maintenance of the Condominium and arrange for the ordinary repairs that may be necessary, adopting the pertinent measures.

- i. Work with the Secretary and/or Vice-Secretary to ensure that the Book of Owners is kept accurate and up to date.
- j. Any other power assigned by the Board of Directors.
- k. The Administrator shall notify the Municipal Revenues Collection Center annually the apartments engaging in short-term rental within the last 12 months.

CHAPTER VII

UNIT OWNERS

Article 27 – The owner of an apartment is the one who can prove that he/she is the owner, with all the rights and obligations inherent to the aforementioned ownership. To this effect, every owner is required to communicate to the Administrator, stating full name, or the juridical person and addresses, the date and other particulars of the acquisition of ownership of an apartment, submitting, within thirty (30) days of its acquisition, the reliable documents evidencing this fact, which shall be recorded in the Book of Owners, leaving a record of the respective title deed. In addition, the owner will register in the Book of Owner's all the information required in Article 6 of this Bylaws. If the above formalities are not complied with, the person appearing in the Book of Owners shall be considered as the owner for the purposes of summons and voting in the meetings of the Council of Owners, and the address shall be that which appears registered in the Administration.

Any changes in the mortgage, or any assignment or leasing of the apartment shall be notified by delivering an attesting copy of the mortgage, assignment, and/or leasing agreement executed not later than on the effective day.

Article 28 - The owner of each apartment shall be the full and absolute owner of the surface and space framed within its boundaries in the horizontal and vertical planes that make up his/her apartment, as stated in the master deed and in the registered floor plans, and may exercise within its scope all the powers inherent to the ownership, subject to the provisions of the master deed and these Regulations.

Article 29 - The owner, in the enjoyment and use of his/her apartment, is required to dedicate it to the destination assigned to it in the master deed, that is to say, strictly for residential purposes. No owner, tenant or occupant of an apartment may use it for commercial, professional or industrial purposes, and must at all times conform his/her

conduct to the order, discipline, morality, decorum and rules of coexistence established by the Law, these Regulations and good manners.

Article 30 - Every owner is directly responsible for the violations of the rules of coexistence and for the damages and nuisances caused to other owners and neighbors and to the common elements, by his/her relatives, visitors, employees, tenants and in general by the persons who are in the apartment for any reason or title.

Article 31 - Each owner is required to execute, as quickly as the case may require, in his/her apartment, all those repairs and urgent works, which the omission may cause damages and difficulties to other apartments or to the structure, soundness or general safety of the Condominium, and shall be liable for the damages resulting from the non-fulfillment of this obligation.

Article 32 – In the event of an emergency or an urgent situation requiring immediate access to the apartment in order to carry out mitigation or repair works, and the apartment owner or occupant is not available to authorize access thereto, the Board of Directors shall be empowered to authorize the entrance of the necessary personnel to correct the situation.

For the purposes of this Section, an emergency or an urgent situation shall be understood to be those that require mitigation or repair works to prevent greater damages to the property of the owner, the condominium, or the property of the other co-owners, or that life and health of the owners and/or third parties. Whenever it is necessary to grant access to the interior of an apartment and the efforts to contact the owner or occupant have been unsuccessful, a record stating the circumstances that led to the intervention as well as an account of the events shall be made.

When the Board of Directors or Administrator have to intervene to detect a leakage or an issue that is affecting private, common, or limited common elements, and upon investigation, it is concluded that the problem originated in an apartment, the owner of said unit shall reimburse the expenses incurred by the condominium for repairs. These expenses shall be assessed and included in the next maintenance fees so that, if unpaid, the total debt including the expenses shall be deemed to be past due maintenance fees for the month. The total expense amount shall be immediately notified to the owner.

Article 33 - Each owner shall pay in full the expenses incurred for the improvement, aesthetic, repair and other ordinary and extraordinary interior works required in his/ her apartment.

Article 34 - The Administrator shall notify the owner in writing, and the owner is required to allow entry into his/her apartment of the persons in charge of planning, inspecting or carrying out any work of general interest, both when it affects the common property and the neighboring apartments. Said works must be carried out in such time and manner as to cause the least inconvenience to the owners.

Article 35 - In case of sale or transfer of the apartment, the following is required:

a. Both the acquirer and the transferor of the ownership shall be responsible for notifying the administrator or the Board of Directors within thirty (30) days following the date of the transaction to change the owner of the apartment, the name, surnames, contact telephone numbers, street address, mailing address, email address, and the preferred method of notification of matters pertaining to the apartment, so that the corresponding entries may be made in the Book of Owners.

Any transferring owner who fails to meet this requirement shall continue to be jointly and severally liable with the acquiring owner for maintenance fees, special assessments, fines, assessments, community insurance, or any other debt accrued after the sale or transfer.

b. Require the acquiring owner in the deed of transfer of the apartment to state that he/she is aware of and agrees to comply with the laws on the Horizontal Property Regime, the Condominium master deed, these Regulations and other Condominium rules.

c. Both the owner who sells or assigns, as well as the buyer and the assignee, shall be jointly responsible for the payment of the common and maintenance expenses owed at the time of such sale or assignment.

d. As of the date of acquisition, the buyer(s) shall have thirty (30) calendar days, not subject to extension, to register as the new owner with the Administrator and/or Board of Directors.

The buyer shall also notify the effective date of said ownership, the information about the apartment financing by the buyer, if any, and other details of the acquisition.

Article 36 - In the event that the owner of an apartment is absent, and any loss or eventuality occurs in or threatens his/her apartment, the Administrator and/or any member of the Board of Directors may enter the apartment in order to take the appropriate measures.

The owner may choose to give a key or entry code to the administrator or other person for access during such an event when the owner is absent.

Article 37 - It is required of the unit owner to attend ordinary and extraordinary meetings of the Council of Owners and to answer the referendums made, having the right to present and defend their points of view or ideas when matters are submitted to a vote.

CHAPTER VIII

USE OF APARTMENTS

Article 38 - The use and enjoyment of each apartment shall be subject to the following rules:

a. They shall be dedicated exclusively to residential purposes, prohibiting commercial, industrial or professional purposes or any other type of business.

b. No unnecessary noise or disturbance shall be produced, nor shall loud electronic equipment be used, nor shall acts be performed that disturb the peace or tranquility of the other apartment owners and occupants.

c. The apartments shall not be used for purposes that are unlawful, immoral, or contrary to public order, discipline, morality, decorum, and rules of coexistence established by Law, the Regulations or good manners. Any act of violence or domestic violence must be reported immediately to the Police or the guard on duty so he or she can immediately contact the Police.

d. Modifications, moving, repairs, cleaning, security, and improvement works of apartments will be carried out without disturbing the rightful use and enjoyment of other owners. Repairs, major improvements and moving may only be carried out from Monday to Saturday from 8:00 AM - 5:00 PM, except for holidays. Additionally, the owner or resident will notify the Administrator if the use of the elevators is necessary in order to protect them.

A list of observed holidays will be given to the owners each year and available at the administrator's office, and in the computer systems of the Condominium.

Owners will be responsible for any damage caused to the common areas. In the event that damages occur, the repair cost will be notified and collected using the same procedures as maintenance fees.

e. No owner or occupant may change the exterior appearance, or decorate or alter the walls, doors, or exterior windows of the apartment and roof, with colors, tones or decorations different from the set of the Condominium, and in any case the consent of the Council of Owners is required, except for the modifications provided for in the Master Deed. All of this in accordance with the provisions in the Condominium Law.

f. In the Master Deed, Section 7 indicates that all apartments of the condominium are for residential use and that no commercial operations are allowed. Therefore, the owner who wishes to rent his/her apartment must adjust to the following norms:

1. All rental contracts will be notified to the administration prior to the occupation of the unit.

The rental contract for a long-term rental must be in writing, notifying the administration and/or the Board of Directors with a copy at least three (3) days prior to occupancy of the unit.

Short-term rentals will be registered through the online system designated by the Board of Directors, and the administration, for that purpose.

A short-term rental is defined as any rental agreement for a period of ninety (90) consecutive days or less or as defined by law.

2. It is forbidden to rent individual rooms or parts of the apartment. The apartment may not be used as a hotel or motel, no fee or rent is allowed for daily use. The minimum rental of the apartments shall be for a duration of six (6) days / five (5) nights.

The apartments registered to make short-term rentals will be subject to an additional monthly charge of 30% of their maintenance fees.

No apartment can be booked more than five (5) times in a given month.

3. The number of people occupying the apartment shall not exceed the number of eight (8) occupants except for the Penthouse apartment, which shall be ten (10) occupants, according to the maximum established by the fire and police departments and/or state or federal public safety agencies.
4. Short-term rental tenants may only use parking spaces that correspond to the rented unit.
5. The owner of the rented unit shall be jointly and severally liable for all damages caused by the tenant to the communal property, other owners or third parties, as well as for violations of these regulations, the Master Deed or the Condominium Act in effect. This includes the imposition of fines established in these Regulations.
6. The owner of the rented unit shall continue to be responsible for the payment of the maintenance fee, apportionments, and other fees that may be imposed in the future.
7. The rental contract shall state that the tenant(s) agree to comply with and abide by all provisions of these regulations, the master deed or the Condominium Act in effect. A copy of the condominium regulations shall be provided to the tenant by the landlord or posted in the apartment in a conspicuous area.
8. Owners shall have priority over tenants in the use and enjoyment of the recreational facilities and other general common elements of the condominium. The Board of Directors and the Administrator may take all the necessary measures to ensure owners their right to enjoy them.
9. Any owner who registers an apartment for short-term rentals must adapt any advertising thereof in accordance with what is established in this Bylaws.
10. Any owner engaging in short-term rentals will register their unit according to state and local regulations, if any. The owners must provide evidence of registration to the administrator, before starting renting. Failure to do so will constitute an impediment to granting a short-term rental.

The rules established here will also be required to the managers of the apartments that are rented on a short-term basis.

11. An owner wishing to make short-term rentals must register their unit with the administration and pay up to \$50 registration fee each time they do so.

The owner can cancel his registration at any time, but up to a maximum of two (2) times a year and when the Board of Directors allows it authorizes additional changes under extraordinary or emergency circumstances. The additional maintenance fee charge for short-term rentals will remain as long as the unit is registered or has upcoming reservations.

12. The Administrator or the Board of Directors will report annually or as required by Law to the Municipal Revenues Collection Center (CRIM) the properties subject to short-term rentals contracts.

CHAPTER IX

COMMON ELEMENTS and LIMITED COMMON ELEMENTS

Article 39 - General and limited common property or common and elements of all the owners will be considered, for all legal purposes, those established in Condominium Law, as amended, and in the master deed of the Condominium.

Article 40 - The owners, tenants, occupants and visitors may use the common elements in accordance with their purpose and nature, but with all moderation and appropriateness, preserving them in the best possible manner and in such a way as not to impede, restrict or hinder the legitimate rights of the other owners, tenants, occupants and visitors.

Article 41 – It is strictly forbidden to:

a. Place emblems, signs, advertisements, plaques, posters, banners, flags, gates, awnings, wooden, glass or metal panels or screens, radio or television antennas, on the exterior walls of the Condominium, hallways, stairways, roofs, lobbies and on the windows, balconies or railings of the apartments, without prior written authorization from the Board of Directors.

b. Hang, dry or shake clothing on windows, balconies, rooftop, patios, or facade railings.

c. Perform any housework outside the apartment.

d. Use stoves or fire grills other than gas or electric in the apartments, and any other that is prohibited by the Law.

e. Place flowerpots, cans, baskets or pots with plants or flowers in places of the apartment, in the patios or on the rooftops that when watered or falling may cause inconvenience or damage to the owners or other persons of the lower floors and cause damage to the paint on the walls of the Condominium.

Any shrubs, trees, palm trees or other plants in the apartments, rooftops, balconies and patios cannot exceed eight (8) feet. Large plants should be properly anchored.

f. Obstruct the common elements such as hallways, stairways, vestibules, parking areas and other passageways and access routes with packages, bundles, boxes, cans, garbage and other similar objects that hinder the free flow of traffic or affect the aesthetics of the Condominium. In general, nothing may be stored or deposited in the common areas, patios, rooftops and parking areas. Additionally, all garbage must be placed in the appropriate garbage and recycling containers. The Board of Directors may regulate the items that cannot be deposited in garbage containers.

g. Engage in any activity or keep anything, which results in an increase in the Condominium's insurance policy, or in the cancellation of such policy.

h. Keep or breed pets or animals for sale or maintain an animal shelter in the apartments.

The following definitions will be used for the interpretation of this section:

- Assistance animals – are domestic and domesticated animals, including service animals and emotional support animals. Assistance animals like dogs and cats; are animals endowed with sensitivity and establish affective bonds with natural persons. Animals that have been used for industry or sporting or recreational activities are not included in this category.

- Domestic animals - those that have been raised under the care of a person, who live with them and need them for their subsistence and are not wild animals.
- Domesticated animals - those that have been trained to modify their behavior so that they carry out functions of surveillance, protection, search and rescue of people, therapy, assistance, training, and other similar actions.
- Service Animal – A dog that has been trained to perform a specific job or task to assist a person with a disability.
- Emotional support animal - one that only provides support to a person and is not trained to perform any specific task. Unlike service animals, it is not necessarily a dog.
- Companion animal area – communal area designated animals to exercise.
- Guardian – natural or legal person who has control, custody, possession, or title over a pet or animal, including owners, occupants, visitors and long and short-term tenants.

1. It is allowed to have domestic or domesticated animals up to a maximum of three (3) per apartment as long as it does not cause inconvenience to other owners or tenants. The limitation established here will not apply to owners who have more than three (3) domestic or domesticated animals at the time this provision is established. However, any owner with more than three (3) domesticated animals will not be allowed to replace the animals should it pass away.

This limit does not apply to contained domestic animals such as birds, fish, and any other with written approval from the Administrator.

Wild, dangerous or invasive animals, exotic or endangered species are not allowed.

2. All animals must be kept inside of the unit or under control of the guardian, according to the provisions of these regulations and must be registered with the administration. Likewise, all renters and guests must notify

if they are bringing animals into the complex and comply with all regulations contained here.

3. The animals must not be left without a leash or roam freely near the buildings, sidewalks, gardens, swimming pool and any other common area or place of the Condominium, except in a designated for that purpose if there is one, which will be duly labeled.

The only other exception is for that of a service animal and then a service animal must be harnessed, leashed, or tethered while in common areas unless these devices interfere with the service animal's work or the person's disability prevents use of these devices. In that case, the person must use voice, signal, or other effective means to maintain control of the animal.

4. Animals are not allowed outside the unit of the owner, renter or occupant, unless attended by their guardian, and on a leash of no more than six (6) feet in length.

5. Every guardian must pick up and properly dispose of any solid waste left by his/her animals in any of the communal areas in any of the communal areas.

6. It is not allowed to leave any animals on the balconies when the guardian is not present at the apartment.

7. Any act of mistreatment, carelessness or negligence of a guardian will be denounced and reported to the corresponding agencies or entities.

8. No owner, tenant or occupant may have pets, be it a dog, bird or other animal, if they disturb the peace of other owners or tenants due to excessive noise or aggressiveness. In the event that this occurs, and if the guardian does not correct the situation to the satisfaction of the Board of Directors, they must remove the animal from the Condominium.

9. Animals are not allowed in the pool area. The only exception is for a service animal and must be harnessed, leashed, or tethered while it is outside

of the apartment and under the control of the guardian at all times and not running freely.

10. Every owner will be financially responsible for any damage caused by their animals or their guests' or tenants' animals, whether to property or any person, and will assume all costs of restoration of any condominium property damaged.

11. Owners will be fined for not strictly following the rules and regulations on animals established in this Regulation. Owners may also be fined if their guests or tenants do not strictly follow these rules.

i. Parking vehicles without complying with the following:

All owners' vehicles must be properly identified. For this purpose, the Administrator may at the direction of the Board of Directors provide a sticker for each vehicle at owners' expense. This sticker will be placed on the lower left side of the front window of the vehicle to identify it as a Condominium unit owner. Visitors and/or tenants will receive a sign from security indicating that they are visitors or tenants. These must be placed on the lower left side of the front window of the vehicle while in Condominium premises. The signs are property of the Isabela Beach Court Condominium and will be returned upon departure from the condominium. Vehicles will not be allowed in the parking area if they are not properly identified. It will be the owner's responsibility to remove the sticker when selling or disposing of the vehicle.

j. Apartments cannot be subject to modifications that in any way affect the safety, soundness, aesthetics and current physical appearance of the building, its balconies, exterior walls of the family unit adjacent to those common elements, and the use and enjoyment of the family units.

k. Build or install in the patios, balcony, terrace or facades any structure or permanent covering, clotheslines, flagpoles or objects of any nature, regardless of their purpose or design, without the prior consent given by the Council of Owners, and in accordance with the Law.

l. Change the facade of his/her unit without the consent of each and every owner; this includes that no exterior bars may be installed, nor in front of the communal

areas of the stairs (balconies) and in any other area. Bars may only be installed on the inside of the windows. Apart from the existing openings for this purpose, the owners may not make new openings of any kind in the walls to install air conditioners, since this will affect the facade and structure of the buildings.

The only exception is for the installation of air conditioners in the balconies, as long as the hole in the balcony wall is up to three (3) inches in diameter. The owner is responsible for proper installation and drainage.

m. Build new floors, build basements or have excavation work or carry out works that affect the safety, soundness and conservation of the Condominium, without the consent of each and every owner.

n. Parking facilities available to Owners will be exclusively for parking automobiles; no commercial vehicles, boats or trailers may be parked there.

o. Park vehicles that are inoperable for longer than two (2) weeks in the visitor and overflow parking areas.

p. Use generators in the apartments that are not battery or solar except when allowed by the government in case of emergency.

Article 42 – No sound devices or musical instruments shall be used in a volume that disturbs or annoys the owners and other persons in the Condominium. Owner and occupants of the apartment shall not produce any kind of noise, smoke, act or activity that disturbs the peace and tranquility of the other owners.

Article 43 – Use of pool and other common recreational facilities will be from seven (7:00 AM) in the morning to nine (9:00 PM) in the evening, unless permission is requested from the Board of Directors or the administrator, who may extend use until twelve (12:00 AM) midnight on Fridays and Saturdays and on holidays.

a. The following rules will govern the use of these facilities:

1. Use of bathing suits is required in the pool. Nudity is not allowed for children or adults.
2. Bathers must shower before using the pool.
3. If an owner or occupant of an apartment exceeds the number of ten (10) people in the pool, including those who live in the apartment with him/her,

he or she must have written authorization from the Administrator for the use of such facility to safeguard the right of the other owners to enjoy the same.

4. The Owners are responsible for their visitors, guests, occupants and renters when using the pool and must ensure that they know the rules for its use.

5. Children under the age of fifteen (15), must always be accompanied by an adult while in the pool.

6. Children in diapers should wear plastic pants with well-fitting legs and waistband or swim diapers.

7. The use of bicycles, motor vehicles, toys, balls or playground equipment that may cause accidents is not allowed in the pool area.

8. The pool and gazebos areas must be kept clean.

9. No bottles, glasses or alcoholic beverages are allowed in the pool area.

10. No animals nor pets are allowed in the pool area. It's not permitted to perform acts that affect the quality of the pool water, including defecating, vomiting, throwing liquids, soft drinks and alcoholic beverages, among others.

11. The use of radios, sound systems or any electrical devices is not permitted in the pool area. These items must be used only in the gazebos provided in the area, following the noise norms in these Regulations.

12. The use of the pool by any person is at their own risk as there is no lifeguard service.

13. All rules posted in the pool area must be followed by owners, residents, occupants, guests and all persons using the pool.

14. Pool furniture may not be reserved for use nor removed from the assigned area.

15. No diving or jumping into the pool is permitted.

16. Floats for children and adults and may be used at their own risk. When playing in the pool, items designed for that purpose may be used as long as they do not affect the enjoyment of the pool by others.

17. No profanity or immoral, offensive or violent acts are allowed in the pool area.

b. When an owner wishes to celebrate a private activity (ten people or more) in any of the recreational facilities of the Condominium, the owner must request previous authorization from the Board of Directors, under the following norms:

1. Notify at least fifteen (15) days in advance, the type of proposed activity, number of guests, and place where they wish to celebrate it.

2. The owner requesting permission to celebrate activity must present a list of guests to the Administrator Office and/ or security.

3. The number of guests must not be more than twenty-five (25) people in the pool gazebo or the car wash area; and fifty (50) people in the green area at the entrance of the condominium in front of the basketball court. Only one common area per owner will be authorized for use at any given time.

4. The use of those areas will not prevent other owners from using the recreational facilities of the condominium.

5. The owner shall arrange with his/her own public liability insurance or endorsement in favor of the Council of Owners and the Board of Directors, for the duration of the private activity.

The owner will be responsible for the damages suffered by his guests, as well as the damages that his guests cause to the common or private areas of the condominium, or third parties.

6. To ensure compliance with these rules, the Board of Directors may require a bond and/or refundable deposit of One Hundred Dollars (\$100.00) to cover possible damage to the common areas. A special fee may also be charged to the owner to cover extraordinary expenses of the condominium related to the private activity, such as security, cleaning, pool maintenance, etc. The activity will not be authorized until the owner accredits the payment of the above-mentioned amounts.

7. The owner will respond for the behavior of his/her guests and for cleaning the areas used. Additional rules appearing on signs and notices of

recreational facilities are adopted by reference and made a part of these regulations.

Article 44 - Any construction, modification or installation of structures, bars, fences, gates is strictly forbidden without the written approval from the Board of Directors or the Council of Owner, as required and established in this regulation, the Master Deed and the Condominium Law.

CHAPTER X

CONTRIBUTIONS TO COMMON ADMINISTRATIVE AND MAINTENANCE EXPENSES

Article 45 - Owners are required to contribute to the expenses for the administration, conservation, repair and use of the general common elements of the Condominium and, if applicable, of the limited common elements, as well as to any other expenses that may be legitimately agreed upon.

Article 46 - No owner may be released from contributing to such expenses by relinquishing the use and enjoyment of the common elements, nor by abandoning them, nor by renting them.

- a. Maintenance dues installments are due on the first day of each month. There will be no surcharge or late fee added if paid by the fifteen (15th) day of the month.
- b. From the sixteenth (16th) day of each month, a surcharge or penalty for late payment equivalent to ten percent (10%) of the payment may be charged.
- c. Failure to make three (3) or more installments will result in an additional monthly penalty according to the law based on the total amount due. The Board of Directors is not required to receive partial payments.
- d. The Board of Directors, through the Administrator, may suspend power and water, telephone, communication system and other services received through general common elements of the condominium to any owners who owe two (2) or more payments of maintenance fees, and/or assessments, and/or fines past due sixty (60) days or more, and/or any community insurance for any of the apartments of which they are the owner.
- e. The Board of Directors, or its designee, shall notify the owner of the intention to suspend service in writing by the owner's preferred method, according to the Owner Registry, not less than fifteen (15) days prior to the projected service interruption.

f. The owner is responsible for notifying the Board of Directors if the projected shut-off of services would adversely affect the lives of any occupant of the unit in arrears.

Article 47 - The delinquent owner may be required to pay by registered mail, with return receipt, and if payment is not made within fifteen (15) days after the request is mailed, payment may be demanded through the courts. When judicial action is taken, the owner shall also pay, and this shall be established in the sentence to be rendered, an additional amount equivalent to thirty percent (30%) of the total owed for expenses and attorney's fees.

Article 48 - If the apartment is rented, the Court may be requested to order the tenant to legally deposit the amount of the rent in favor of the Council of Owners in order to apply this amount to the payment of the debt.

Article 49 - Any owner owing three (3) or more payments of maintenance fees, and/or special assessments, and/or fines past due sixty (60) days or more, and/or master insurance policy for any of the apartments he owns, shall be temporarily prevented from exercising his right to vote, expressing his consent or opinion at the meetings of the Council of Owners until the debt is paid off or the Treasurer certifies that the owner is current on his payment plan approved by the Board of Directors before the meeting in question.

Article 50 - The names of owners who owe three (3) or more monthly installments may be posted on the Condominium bulletin boards and in financial reports which may be posted on the website or dispersed to owners by another method.

CHAPTER XI

MODIFICATIONS TO REGULATIONS

Article 51 - At an assembly convened to amend the Regulations, owners who were summoned but did not attend the meeting shall be notified in a reliable and detailed manner of the resolution adopted by the majority of the holders who attended the meeting, granting them a period of thirty (30) days from the date of said notification to express their conformity or disagreement with the resolution adopted. The vote of the owners who do not express their disagreement within said period shall be counted in favor of the agreement. The referred agreement shall be valid as soon as the approval of two thirds (2/3) of the owners that, in turn, hold two thirds (2/3) of the percentage of interest in the common elements with

no opposition from more than one third (1/3) of the owners that, in turn, hold one third (1/3) of the percentage of interest in the common elements.

Article 52 - The notice of the assembly at which the Regulations are to be amended shall expressly state this purpose and shall be accompanied by the proposed new wording of the Articles of the Regulations.

Article 53 – Amendments to the Regulations shall be recorded in the public deed which will be registered in the Property Registry.

Article 54 - This bylaw has been written in the Spanish language, any discrepancy with the courtesy version in the English language, the Spanish version will prevail.

Article 55 - Any discrepancy between this Regulation and the Condominium Law, the Condominium Law will prevail.

This Regulation comes into force once all legal requirements are met.

Approved at the Extraordinary Assembly of June 22, 2024.

Effective Date: October 2, 2024.