

Today, on the date of the execution of this deed, I have issued a first certified copy in favor of:

DEED NUMBER ( )

AMENDED RULES AND REGULATIONS  
CONDOMINIUM MACOR BY THE SEA

-----In the city of Rincón, Puerto Rico, today, \_\_\_\_\_ of \_\_\_\_\_ on the year two thousand twenty two (2022).

**I ATTEST.**

Notary Public

BEFORE ME

-----, attorney and notary public with residence and domicile in the city of \_\_\_\_\_, Puerto Rico, and with office in the city of San Juan, Puerto Rico.

ARTICLE ONE (I):  
ADMINISTRATION OF HORIZONTAL PROPERTY

Section One (1)- Applicable Law

-----The MACOR BY THE SEA Condominium, located at Calvache (Córcega) Ward within the municipal territory of Rincón, Puerto Rico, is comprised of two (2) buildings that have a total of fifty-four (54) residential apartments, entertaining and playroom, kitchen and activities room, gym and a warehouse referred to as “el bodegón”, and seven (7) storage areas. The Complex is currently governed by the provisions of Act Number One Hundred and Four (104) of the Horizontal Property (“Horizontal Property Act”) of the Commonwealth of Puerto Rico, approved on June 25, 1958; by Act Number One Hundred and Three (103) of April 5, 2003, as amended; by the applicable provisions of the 1930 Puerto Rico Civil Code, as amended, and by the previous Regulation “A”, which was attached and made part of the master deed, Deed Number Six Hundred and Sixty-One (661), executed on November Sixteen (16), Two Thousand Five (2005), before Notary Gary E. Biaggi Silva. -----

-----These Amended Rules and Regulations for the administration of Macor by the Sea Condominium are adopted and approved according to the applicable provisions of the Puerto Rico Civil Code, enacted by Act Number Fifty-Five (55) of June One (1), Two Thousand Twenty (2020), and the Puerto Rico Condominium Act, Act Number One Hundred and Twenty-Nine (129) of August Sixteen (16), Two Thousand Twenty (2020). These Amended Rules and Regulations which are identified as “A” are incorporated, attached, and made full part of the Master Deed, and replace the existing rules and regulations. -----

Section Two (2) – Application of these Rules and Regulations

-----The provisions of these Rules and Regulations apply to both buildings, land and any area that form part of the Condominium. All owners, present or future, tenants or their employees or guests, or any other person who uses the facilities of the Condominium in any manner, will be subject to these Rules and Regulations. The sole acquisition or lease of any of the apartments, or the sole act of occupying any of said apartments will imply that the person who performs such act accepts the

regulations set forth herein and will be bound by it. -----

ARTICLE TWO (II):  
COUNCIL OF OWNERS  
Section One (1) - Members

-----A. The owners of the respective apartments of the Condominium will collectively constitute the COUNCIL OF OWNERS. -----

-----B. The Council of Owners constitutes the supreme authority in the administration of the property subject to the horizontal property regime and will be composed of all the owners. Its resolutions and agreements, adopted in assemblies duly constituted and convened, are ineludibly binding on each one of the owners, occupants, residents, and visitors that relate to the Condominium. -----

-----C. The Council of Owners will be, in addition, the governing and deliberative body of the Condominium, with juridical and legal personality. -----

-----D. The person or persons in whose name an apartment is registered at the Property Registry will be considered as owner thereof for all purposes of these Rules and Regulations. -----

Section Two (2) – Faculties of the Council of Owners

-----A. The Council of Owners will choose by the affirmative vote of the majority of its members, the persons who will occupy the following positions: -----

------(i) Board of Directors, including, but not limited to a President, a Vice-President, a Secretary, a Treasurer and at least a Spokesperson, who must necessarily belong to the community of owners. The President, the Secretary and the Treasurer of the Board of Directors shall be elected separately for each position. -----

------(ii) The Managing Agent, who may or may not be necessarily a member of the community of owners, and to whom the President or the Board of Directors may delegate those powers and responsibilities as prescribed in these Rules and Regulations. -----

-----B. The Council of Owners will direct the claims or grievances raised by owners against the Directors and/or the Managing Agent, and will take the appropriate measures, including their removal, by a majority agreement at a special meeting called for such purposes. -----

-----C. The Council of Owners shall agree and approve the annual budget of income and expenditures, and the financial statements, and shall set the monthly maintenance fees, to administer the Condominium pursuant to the master deed and these Rules and Regulations. -----

-----D. The Council of Owners shall select and approve an insurance policy to protect the property against risks, which shall cover the general common elements, shared elements, and limited elements, as well as against other risks not related to the private property of owners, unless

otherwise is provided in any future amendment to the Condominium Act after the approval of these Rules and Regulations. -----

----E. The Council of Owners may approve the construction of extraordinary installations and improvements, and raise funds for their completion, provided, however, that those works, and improvements are limited to general common elements. -----

----F. The Council of Owners shall approve or amend these Rules and Regulations, requiring a two-thirds (2/3) vote of all owners which also holds two thirds (2/3) of the percentage of interest in the common elements.

-----G.  
The Council of Owners may discharge the Managing Agent from his/her duties for just cause. The negligent or wrongful performance of the Managing Agent duties, dishonesty, or breach of the rules of good conduct established in these Rules and Regulations, or breach of the contractually established duties, shall constitute just cause for the discharge or termination of contract. -----

----H. The Council of Owners shall include a reserve fund to the annual operating budget equal to five percent (5%) of the total recurring expenses, which shall be deposited monthly on a separate account that can only be used, in whole or in part, to carry out special, urgent or improvement works. The amount or percentage contributed to the reserve fund may be increased by the majority vote of the Council of Owners. ----

----I. The Council of Owners shall constitute an Emergency Committee that shall approve a disaster and emergency plan, which shall be revised annually in consultation with the municipal and federal entities concerned with the protection of life, property, and emergency management. Said plan must include a water and electricity rationing plan to be implemented during natural disasters, or when rationing precautionary measures are implemented by the agencies concerned, to ensure that such resources are equitable distributed among all apartment owners. -----

----J. The Council of Owners shall approve the suppression of architectural barriers that limit or prevent access or mobility to persons with physical disabilities. -----

----K. The Council of Owners shall authorize the Board of Directors and/or the Managing Agent, by express delegation, to impose penalties up to one hundred dollars (\$100.00) per violation to the owner or resident who breaches the master deed, the Condominium Act or these Rules and Regulations. The amount of the fines may be doubled up to a maximum amount of two hundred dollars (\$200.00) when the violations are incurred by short-term rental tenants. -----

----L. The Council of Owners shall have juridical and legal personality, and the owners, jointly and severally, shall hold harmless the Council of

Owners from third-party liabilities, and such liability if any, will be limited exclusively to the owner's apartments. The Council of Owners shall not take the form of a corporation or a partnership.

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Section Three (3)– Notice for Council Meetings, Purpose and Waiver

----A. The President may call and notify all regular, special, or extraordinary meetings of the Council of Owners pursuant to the request of the Board of Directors, or by petition of a majority of the Council of Owners duly submitted to the Secretary of the Board of Directors. -----

----B. Notice of Meetings shall be informed in writing, be signed by the person or persons calling it and shall state the date, time, place, and purpose of the meeting. As a general rule, notice shall be given or left at the owner's apartments or by certified mail sent to the addresses provided by those owner's that do not reside in the Condominium. However, the notice for meetings may be delivered through any other alternate electronic methods, upon authorization by the owner, including fax, email, or text message, among other methods, provided that the method allows to corroborate and certify the delivery. -----

----C. Regular meetings shall be notified with at least fifteen (15) days in advance, and special meetings shall be notified within five (5) days prior to the meeting. Regular or special meetings may not be called to be held within regular business hours, that is, Monday through Friday, from 8:00 AM to 5:00 PM. -----

----D. Those Owners who decide to waive the right to be notified by certified mail with acknowledgement of receipt or by personal delivery to his/her apartment, and authorizes to be notified by fax, text message, email, or through any other alternate means, shall sign an authorization to that effect, and shall release the Board of Directors and the Managing Agent from sending the notifications by certified mail or personal delivery. -----

----E. Both the Board of Directors and the Managing Agent shall keep a Registry of Notices by Alternate and Electronic Means, which shall include those members of the Council of Owners who opted to receive notices by fax, email, or text message, among other means, and waived the right to be notified by regular mail, certified mail or by personal delivery.

----F. When a notice of meeting could not be given or notified to a particular owner, which does not resides in the condominium, and no other address or alternate electronic method is available or known to the Council of Owners, Board of Directors, or Managing Agent, such notification shall be deemed to be given by placing the notice of meeting on the bulletin board of the Condominium designated by the Council of Owners, or in a

visible place of general use intended for such purposes, at least three (3) consecutive days prior to the date of the meeting. -----

----G. Those owners who attend a meeting, whether in person or by proxy, will impliedly ratify or validate any lack of notification of the meeting to that owner. -----

----H. In case a meeting is called upon a state of emergency, force majeure, and/or any other situation that warrants and justifies the holding of a special meeting through a videoconference platform, the Board of Directors shall notify owners with a notice of meeting, which shall include the following information: -----

a) the name of the Condominium; -----

b) the emergency situation, force majeure and/or situation that warrants the holding of a special meeting through a videoconference platform; -----

c) the date on which the special meeting shall be held; -----

d) reference to the matter to be dealt in the special meeting and the voting ballot and deadline to return said ballot, if necessary, regarding the matter to be discussed during that special meeting. -----

----I. The Council of Owners may call an extraordinary meeting to address a state of emergency and authorize the President and/or the Treasurer of the Board of Directors to make withdrawals from the reserve fund of the operating funds of the Condominium. The meeting to authorize the emergency disbursement shall be called and held in not less than twenty-four (24) hours. The notice of extraordinary meeting for the approval of this type of disbursement may be delivered in person, leaving a notification under each apartment door, or through any other alternate means, including fax, email, or text message, among others. -----

Section Four (4) – Meetings – Majority and Quorum

----A. The definition of majority adopted for the Council of Owners shall constitute half- plus one of owners whose apartments in turn represent more than fifty percent (50%) of the percentage of interest in the common elements, in accordance with the percentages allocated to the apartments. -

----B. The required attendance quorum for all the meetings of the Council of Owners, including meetings held to reach a decision or an agreement, shall be determined by the number of owners that attend the first meeting, regardless of the total of owner’s present. There will be no need to call a second meeting. -----

Section Five (5) - Meetings of the Council of Owners

----A. As a general rule, the meetings of the Council of Owners will be held at the facilities of the Condominium. However, some meetings may be held, using the alternate method of videoconference platforms when necessary, or duly justified and authorized by a majority of the Council of Owners. -----

----B. The President of the Board of Directors shall preside the meetings

of the Council of Owners, and in case that the President is not available, the Vice-President or any other member of the Board of Directors may preside over the meetings. Also, the meeting may be presided by any person designated by the owner's present at the meeting, whether in person or by proxy. -----

----C. It shall not be necessary to hold a meeting of the Council of Owners for a specific purpose if all of the owners with voting rights waive the celebration of a meeting thereof and agree in writing to take the proposed action. The waiver of the meeting may be notified electronically, by fax, email, or text message, among other means. However, it is always required and compulsory to hold a meeting of owners for the election of the members of the Board of Directors, for the approval of the annual budget and the approval of assessments or special assessments. -----

----D. Annual Meeting- The Council of Owners shall meet at least once (1) every year, as called for and notified by the Board of Directors, through its President and Secretary. The meeting will be held during the months of January and February, or when a year has elapsed since the date on which the last annual meeting of the Council of Owners was held, but never later than the 28th of February. However, if there is a declaration of emergency, or force majeure, the meeting may be called and held at a later date than the 28th of February, as agreed upon by the Board of Directors. -

-----a) The Secretary of the Board of Directors shall draft the minutes of the meetings and upon his/her absence, the owners at the meeting, whether in person or by proxy, may designate one of the owners present to act as Secretary. -----

-----b) The matters to be discussed and decided at the annual meeting shall be the election of the members of the Board of Directors, the approval of the annual budget, and the expenses related to the administration, maintenance and repair of general common elements and any other pertinent matter submitted for consideration at the meeting. ----

-----c) As a general rule, the agenda for the meeting shall be as follows: -----

- i) Call to order and quorum establishment; -----
- ii) Purpose and notice of the meeting; -----
- iii) Recitation and approval of minutes from prior annual meeting; -----
- iv) Reports presentation; -----
- v) Annual budget presentation and approval; -----
- vi) Nominations and election of members of the Board of Directors; -----
- vii) Miscellaneous matters. -----

----E. Special or Extraordinary Meetings – The President may notify all special meetings of the Board of Directors and/or the Council of Owners by resolution of the Board of Directors or by request of the majority of the Council of Owners duly submitted to the Secretary of the Board of

Directors. Special or extraordinary meetings may be called to address any matter not dealt with at the annual meeting. Likewise, if the topics to be discussed at the annual meeting could not be addressed or finished on the scheduled day, a special meeting of the Council of Owners may be called to be held as soon as possible. Any matter considered at said special meeting shall have the same significance and result as if discussed at the annual meeting held. -----

----G. When there is a state of emergency declared by the government of Puerto Rico or by the federal government, which includes Puerto Rico, and it is necessary to discuss and make a determination with the approval of the Council of Owners, but it is not possible or safe to hold a special meeting, the first option shall be to call and hold the special meeting using the videoconference platforms. -----

----H. Whenever is needed to hold a special or extraordinary meeting using videoconference platforms, the Secretary of the Board of Directors shall prepare a minute of the videoconference including the number of participant owners, their names, apartment number, and the matters to be discussed. If an issue needs to be decided by vote, the minute shall include the votes in favor, against or abstained, and if there was any opinion or objection to the approval. Prior to the videoconference date, a ballot may be sent to the owners, including the matters to be discussed and the option of voting in favor or against, with a deadline to return or deliver the ballot prior to the video conference meeting. At the end of the videoconference, a digital registry with the names, number of participants, polls and the results obtained during the videoconference will be printed, and a copy thereof will be kept. The Board of Directors may allow the Managing Agent to act as moderator and facilitator of the videoconference. -----

----I. The meetings held through videoconference platforms may also be used for the benefit of owners who reside outside of Puerto Rico. In such cases, and upon approval by the majority of the Council of Owners and the Board of Directors, any in-person meeting may be combined with the use of videoconference platforms. For this, the same procedural measures discussed in subsection H. shall be taken. -----

Section Six (6) – Meetings Attendance, Voting and Council Agreements

----A. The attendance to meetings and assemblies of the Council of Owners shall be in person or by legal or voluntary representative, in which case, the delivery of a proxy form signed by the owner shall be sufficient evidence therefor. -----

----B. The proxy form shall be dated and shall state the date of the meeting for which the representation is being authorized, unless it is a general proxy executed before a notary public and recorded in the Registry of Powers of Attorney and Wills. The authenticity of the owner's

signature shall be verified with the Book of Owners and the proxy or power of attorney shall be delivered at least twenty-four (24) hours before the meeting starts. -----

----C. Proxies for the meetings of the Council of Owners may be delivered solely by persons of legal age who, in turn, are owners, family members thereof up to the second degree of consanguinity, the spouse, long-term lessees of the Condominium, or the owners' agent by virtue of a power of attorney executed before a notary public and recorded in the Registry of Powers of Attorney and Wills, or an attorney admitted to the bar who proves to be the owner legal representative. -----

----D. A voluntary or legal representation by virtue of a proxy or power of attorney grants voting rights to the representative, but not the right to form an opinion or make proposals in meetings or assemblies. -----

----E. When one or more apartments belongs to a corporate or legal person, the latter shall designate through a corporate resolution the person or official who shall attend the meeting and exercise its right to vote on its behalf. Absent a corporate resolution, the vote cast on behalf of said apartment on the decisions of the Council of Owners shall not be recorded. The corporate resolution shall be delivered at least twenty-four (24) hours before the date of the meeting. -----

----F. If several owners own an apartment as an indivisible community (*pro indiviso*), they shall appoint only one person to represent the common interest. -----

----G. If an apartment is held in for use and enjoyment of a benefitted person, attendance and voting corresponds to the owner or remainderman who, unless otherwise stated, shall be deemed represented by the benefitted person; said delegation from the owner shall be expressly made in writing for agreements requiring unanimous vote or a two-thirds (2/3) vote of all owners that, in turn, hold two thirds (2/3) of the percentage of interest in the common areas. -----

----H. The owners present at a meeting will be empowered to decide whether to discuss or consider the issues included in the meeting's agenda. The regulatory majority required to adopt agreements will be computed on the base of one hundred percent (100%) the number of owners or proxies present at the time of voting on the agreement, except in those cases where a unanimous vote or a two-thirds (2/3) vote of all owners that, in turn, hold two thirds (2/3) of the percentage of interest in the common areas is required. -----

----I. When the owners present at a meeting held for the approval of an agreement for which a unanimous vote or a two-thirds (2/3) vote of all owners is required, approve said agreement, those owners who were duly notified and called to the meeting but not attended, shall be notified of the approved agreement in a dependable and comprehensive manner, and if

within thirty (30) days from the date of notice, said owners fail to object or notify their discrepancies, they shall be legally bound by the agreement, which will not be executable until such period elapses, unless said owners who did not attend the meeting state their consent within a shorter term.

----J. The grounds for opposing or objecting an agreement requiring a unanimous vote or a two-thirds (2/3) vote of all owners that, in turn, hold two thirds (2/3) of the percentage of interest in the common areas shall be expressly furnished whether at the meeting or in writing, and in any case, shall not be arbitrary or based on the mere allegations of property rights. Unsupported oppositions or objections shall not be considered. -----

----K. When an owner who was not present at the meeting, submits to the Board of Directors his/her opposition or objection to a determination of the Council of Owners requiring a unanimous vote or a two-third (2/3) vote of all owners that, in turn, hold two thirds (2/3) of the percentage of interest in the common areas, the Board of Directors shall determine whether or not the objection was unfounded, and shall notify its determination to the owner. If it is determined that the opposition was unfounded, it shall be deemed not submitted. The owner may challenge such determination with the Department of Consumers Affairs thirty (30) days from the date of the notice of the determination of the Board of Directors. -----

----L. For purposes of calculating the number of owners who shall constitute a majority, each owner shall have the right to one vote, regardless of the number of apartments he/she owns, and whose apartments in turn represent more than fifty (50%) of the percentage of interest in the common elements, in accordance with the percentages assigned to the apartments. -----

----M. Any owner who owes three (3) or more payments of maintenance fees, assessments, special assessments or fines past due sixty (60) days or more, or master insurance policy premiums for any of the apartments he/she owns, shall be temporarily prevented from exercising his/her right to vote, expressing his/her 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/her payment plan approved by the Board of Directors before the meeting in question. -----

----N. The agreements of the Council of Owners 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 and percentages of interest that they represent, the manner in which the meeting was called, the text of the adopted resolutions, the votes in favor and against, and the explanations of the votes or any statements which any owner may wish to state for the record. These provisions shall also apply to any agreements adopted or approved through

videoconference platforms. -----

----O. The minutes shall be signed at the end of the text by the President and the Secretary of the Board. If there is no President and/or Secretary, at least two (2) members of the Board of Directors shall sign them unless there is only one director of the Board of Directors, in which case the minutes may be signed by him/her alone. The official minutes shall constitute prima facie evidence of the issues addressed and agreements reached by the Council of Owners at a meeting. -----

Section Seven (7) – Book of Owners and Transfer of Property

----A. The Board of Directors, through the Secretary and the Managing Agent, shall keep a Book of Owners, indicating the name(s) of the owner(s) for each apartment. This Book shall be available at every meeting of the Council of Owners, and subject to inspection by any Owner at any time during the meeting. However, the information gathered in the Book of Owners shall remain confidential and protected for strictly administrative uses. The owners may have access only to the name, email address, and mailing address of the persons constituting the community of owners for purposes of contact or notice a meeting of the Council of Owners. Though, the owners may authorize the Board of Directors to provide more information from the Book of Owners to other owners. -----

----B. The Book of Owners shall contain the names, physical and mailing addresses, telephone numbers, signatures, and other significant information of the owners of the apartments at the Condominium, as well as the consecutive transfers, sales or leases that take place in relation to the units. The authenticity of owners' signatures shall be confirmed with the Book of Owners whenever may be necessary. Likewise, the method in which the announcements, notices or calls for meetings are required to be made, along with the certifying signature of the owner, will be documented in said Book, and if so authorized, notifications could be made through alternate methods, such as fax, email, or text message, among others. -----

----C. The Book of Owners shall constitute prima facie proof of the owner's identity and who is entitled to examine said Book of Owners, or to cast a vote at any meeting of the Council of Owners. -----

----D. Whenever there is a transfer or change of ownership of an apartment, both the acquirer and the transferor of the apartment shall be responsible for notifying the Board of Directors, with copy to the Managing Agent, within thirty (30) days following the date of the transfer in order to obtain and change the information with that of the new owner, including the name, surnames, telephone numbers, home and mailing addresses, email, and the preferred method of notification of issues pertaining the apartment and association. They shall also notify the effective date of said transfer of ownership, the information about the

financing institution if any, and other details of the acquisition by submitting and delivering a copy of the documents (i.e., sales deed) attesting such transactions with their signature in the Book of Owners. The seller will also be responsible in notifying the acquirer with copy of these Rules and Regulations when the transfer is executed, and both parties shall sign an acknowledgement in the Book of Owners asserting that the acquirer received them. The notification of the Rules and Regulations can be made in hardcopy or via email in portable document format (pdf). -----

----E. Any transferor who fails to meet this requirement shall continue to be jointly and severally liable with the new owner, for the maintenance fees, special assessments, fines, assessments, condominium insurance or any other debt accrued after the transfer, insofar as this obligation is not fulfilled. Also, upon his/her inclusion in the Book of Owners, the acquirer of the apartment may then participate and cast a vote at the meetings of the Council of Owners. -----

----F. The area referred to as the warehouse or “*el bodegón*”, storage areas and parking spaces available, if any, may be subject to acquisition and sale or lease, solely and exclusively to members of the Council of Owners. -----

ARTICLE THREE (III)  
ADMINISTRATION OF THE CONDOMINIUM BY THE  
BOARD OF DIRECTORS

Section One (1)- Members, Requirements, Terms and Election of the  
Board of Directors

----A. The Board of Directors constitutes the executive body of the Council of Owners. The property, events or issues generally affecting the Condominium and the general common elements shall be managed by said Board, which will be composed of five (5) members: a President, a Vice-president, a Secretary, a Treasurer and at least a spokesperson. -----

----B. All members of the Board of Directors shall be members of the Council of Owners, and to that effect, owners of an apartment in the Condominium. Directors are not allowed to appoint proxies to act on their behalf. -----

----C. Only owners not owing two (2) or more payments of maintenance fees and/or assessments, and/or fines past due over sixty (60) days, and/or master insurance policy premiums may be appointed and elected to the Board; these owners shall also keep their accounts current for the duration of their term. -----

----D. As a general rule, the members of the Board of Directors will be elected at the annual meeting of the Council of Owners. However, in order to give continuity to the work and actions of the members of the Board, the Council of Owners may decide to elect their Directors for

alternate two-year terms (staggered terms). If this is the case, the election will take place as follows: -----

------(1) At the annual meetings held on even years 2022, 2024, 2026, and so on, a President, a Secretary and at least a spokesperson will be elected. -----

------(2) At the annual meetings held on the odd years 2023, 2025, 2027, and so on, a Vice-president, a Treasurer, and at least a spokesperson will be elected. -----

-----E. In order to select the members of the Board of Directors, the attendee's owners or those authorized by legal representation, voluntarily or by proxy, will cast a vote and the candidate who obtains majority of votes will be elected. If there is a draw in the results, the same voting procedure shall be repeated for that director position. -----

-----F. The President, the Secretary and the Treasurer of the Board of Directors shall be elected separately for each position. -----

Section Two (2) – Quorum, Meetings, Voting and Compensation of the Board of Directors

-----A. A majority of the Board of Directors will be needed to constitute quorum and to hold the meetings. If the required quorum is not constituted at any meeting of the Board of Directors, the meeting may be postponed by a majority of the attendee's directors without further notice, setting another date at that moment, until the necessary quorum is reached. -----

-----B. The regular meetings of the Board of Directors shall be held on the dates that from time to time the Board may agree upon. However, the Board of Directors may hold meetings without prior notice, immediately after the annual meeting of the Council of Owners. It shall not be necessary to notify the regular meetings of the Board of Directors held on dates set by resolution of the Board or notify of postponed meetings. -----

-----C. The meetings of the Board of Directors may be held at any time and without prior notice when all the members of the Board of Directors so authorize and are present. The meetings may be held in person within the municipal territory of Rincón, at any other location agreed upon by the directors or through videoconference if needed, from any part of the world. -----

-----D. The notice for a meeting of the Board of Directors does not have to include the purpose for which the meeting is called, nor the topics to be addressed, and may be delivered in person, over the phone, by regular mail or by email. -----

-----E. Each member of the Board of Directors, including the President, shall have one (1) vote for each subject submitted to voting. At all meetings of the Board, a majority of the directors shall constitute quorum, and the decision of a majority of the directors shall be the decision of the Board of Directors in said meeting. If quorum is not established, a

majority of the attendees' directors may set a new date for the meeting and the decisions reached by a majority of the directors in the new meeting will be valid. -----

----F. The members of the Board of Directors may be reasonably compensated or reimbursed for services and expenses incurred in their responsibilities. The compensation rate or reimbursements shall be approved by the Board of Directors with the ratification and approval of a majority of owners. -----

Section Three (3) – Vacancies, Terms of Office, and Removal of Directors

----A. Every official shall fulfill his/her duty until a successor is elected and fills the office. -----

----B. If a position of any member of the Board of Directors becomes vacant during his/her term, due to death or resignation, the remaining members of the Board may elect a substitute, by majority vote, and the member thus elected will occupy the position for the remainder of the term of the director who vacated the seat. Any member of the Board of Directors may resign at any moment. -----

----C. In case that any member ceases to be a member of the Council of Owners because of the transfer of ownership of his/her apartment, such transfer shall be considered as his/her resignation. -----

----D. By a majority vote, the Council of Owners will have the right to remove any or all of the members of the Board of Directors at any regular or special meeting, including the President, with or without cause, and elect new members. Any Director whose removal is proposed by the Council of Owners shall be given the opportunity to be heard at the meeting. -----

----E. No person may hold office in the Board of Directors for more than three (3) consecutive terms. Once a person has held office for more than three (3) consecutive terms, said person shall not hold the same office in the Board of Directors until two (2) years have elapsed from the time he/she held that office. Notwithstanding the foregoing, if at a meeting duly convened to elect the members of the Board of Directors, there is no other person available to fill the office of the person who has held it for three (3) consecutive terms, as an exception, said person may be eligible for holding such office for additional terms; also said person may be eligible for holding such office for additional terms if there being only one candidate available, and the Council of Owners does not ratify such person by a majority vote. -----

----F. 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 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. In addition, these Directors shall be required to attend and sign documents as may be necessary for the transfer of signatures in the pertinent banking institutions. -----

Section Four (4) – Power and Duties of the Board of Directors

-----The Board of Directors of Macor by the Sea shall have the following powers and duties: -----

-----A. To address all actions regarding the good governance, administration, surveillance, general services, and operation of the Condominium, and to protect and safeguard the common elements, the limited common elements, and to such effects, give timely warnings and advises to the owners. -----

-----B. To prepare the annual budget of expected income and expenses in a timely manner and submit it to the Council of Owners, establishing the proportional amount to be contributed by each owner to the common expenses of the Condominium, and delivering a copy of the annual budget to every owner, at least fifteen (15) days prior to the date of the meeting where the budget will be submitted to the Council of Owners for approval.

-----C. To manage the financial matters regarding account receivables and payments, and to keep assets and liabilities registered on a book with detailed account, in chronological order, of receipts and expenditures affecting the property and its administration, including a description of maintenance and repair expenses of the common elements. Both the book and the vouchers approving the entries made thereupon shall be available for examination by the owners at convenient hours on working days that shall be set and announced for general knowledge. -----

-----D. To collect from the owners, the amounts they shall contribute to the general common expenses and to implement all necessary procedures for collections and payments, as well as the corresponding receipts and checks. -----

-----E. To open a bank account in the name of the Council of Owners, wherein all income of the Condominium shall be deposited upon receipt within a minimum period of five (5) working days; to draw checks against said account and meet all necessary payments, but ensuring those payments are not drawn to the bearer and retain the corresponding receipts and vouchers. -----

-----F. To submit for the Council of Owners’ approval of the financial statements of the last fiscal year. The financial statements shall include the total amount billed and/or received on account of maintenance fees and income for general common expenses, an itemization of expenditures, including the payments made to the Managing Agent, any balance or deficit accrued for the following year and the amount available in the Reserve Fund. The annual Reserve Fund contribution shall not be less than

five percent (5%) of the operating recurring annual expenses of the Condominium. However, by a majority decision of the Council of Owners, said contribution can be increased. -----

-----G. To oversee for the protection of the Condominium and the general common elements of the property and provide for regular repairs, in accordance with the annual budget approved by the Council of Owners and adopt measures as necessary for special repairs, upon the approval of the Council of Owners. -----

-----H. To observe and enforce the compliance with the provisions of the Condominium Act of Puerto Rico, any other applicable law, the master deed, the Rules and Regulations, and the agreements of the Council of Owners. -----

-----I. To reasonably increase or reduce the maintenance fees for the general common expenses according to the proportional amount to be paid by each owner and to fill vacancies of the members of the Board of Directors, subject to the approval or revocation by the Council of Owners.

-----J. To keep the Book of Owners. This Book may be kept and maintained in any form and method so as to allow access to the information or data entered therein, whether in paper, electronic or digital format or as required by any software or application used to store this kind of data, as established by the Board of Directors. -----

-----K. To terminate the Managing Agent for good cause. Good cause shall be deemed to be gross negligence or neglect of duty, dishonesty, or the breach of the codes of good conduct set forth in the bylaws of the Condominium, or noncompliance with the duties set forth in the agreement. The President or any other member of the Board of Directors shall call a meeting of the Council of Owners not later than thirty (30) days after the removal to notify said action for the Council to act as deemed convenient. -----

-----L. To order the disconnection of drinking water, electricity, gas, and telephone utility services, as well as of intercom, video, and data, and/or any other similar service when these are supplied through facilities constituting general common elements of the property to any owners who owe two (2) or more payments of maintenance fees, special assessments, assessments, fines past due sixty (60) days or more, or any master insurance policy premiums for any of the apartment they may own. This duty of the Board of Directors might be limited or banned through executive order when a "State of Emergency" has been declared in Puerto Rico and the apartment is the principal residence of the owner. This limitation will not apply to second residences or vacation apartments. -----

-----M. To establish a payment plan for owners who show that a situation has arisen which resulted in a loss of income or has affected their capacity to pay maintenance fees, special fees, assessments and/or fines which

payments are past due sixty (60) days or more. -----

----N. To hire the personnel that may be necessary for the maintenance work and other works that may need to be carried out in the Complex. They may also remove the personnel if deemed necessary. -----

----O. The Board of Directors shall take safeguards as are necessary to ensure that the companies or persons contracted meet all of the applicable requirements of federal and state laws, such as those established under labor laws, including but not limited to compliance with the provisions on minimum wages, Social Security, employer insurance policies and other similar requirements. -----

----P. Professional services rendered by persons who are owners, members of the Board of Directors, or family members up to the second degree of consanguinity, of the members of the Board, owners of the condominium, or the Managing Agent may be contracted only if during the evaluation period prior to the contracting at least three (3) quotations were requested and reviewed for the same services. Two (2) of said quotations shall be requested from companies or individuals who meet the previously established conditions. If it is shown that, due to the nature of the service or the inexistence of other potential bidders, it was not possible to procure the three (3) necessary quotations, the Secretary shall state in writing through a minute of the Board of Directors the efforts made therefor, as well as state that there were no additional bidders for said service. -----

----Q. Upon approval of these Rules and Regulations by the Council of Owners and its corresponding submittal and recording in the Property Registry, legal advisory professional services from persons who are owners of the Condominium, members of the Board of Directors, or family members, up to the second degree of consanguinity, of the members of the Board or the owners may not be contracted. -----

----R. To impose a special assessment by a majority affirmative vote of the members of the Board of Directors upon the owner of an apartment whose occupants or visitors, without hindering or impairing the rights of other owners, make regular and intensive use of any common element causing common operating, maintenance or repair expenses surpasses those that would be reasonably incurred in the normal and customary use of said facility. The amount imposed to cover excess expenditures shall be added to, and collected as a part of, the expenses that may be attributed to said apartments. -----

----S. To impose penalties up to one hundred dollars (\$100.00) per violation on the owner or resident who breaches the rules of peaceful coexistence established in the master deed, the Condominium Act, or these Rules and Regulations. The amount of the fines may be doubled the amount up to a maximum of two hundred dollars (\$200.00) for violations

incurred by the occupant of a short-term rental. -----

----T. The Board of Directors may not approve contracts for works, services, and supplies, and any other that entails the disbursement of common funds collected through maintenance fees and assessments, the term of which exceed the period of the operating budget under their management and administration while they serve as directors, except if such contracts include a unilateral express termination clause, in favor of the Board and/or the Council of Owners, or if the Council of Owners approves such contract at a meeting by a majority vote; this provision excludes contracts for mechanical elements essential to the operation of the condominium, namely, elevators, power generators, water pumps, fire suppression systems and fire alarms. Automatic renewal clauses included in services contracts shall be deemed null or not included, except when a contract with an automatic renewal clause is approved by a majority of the Council of Owners. -----

----U. To establish the proper controls and procedures in order to safeguard the assets of the Council of Owners and comply with all the required obligations and rules and regulations. -----

----V. To keep and protect the documents constituting the Horizontal Property Regime, such as the plot plans, the master deed, notices of meetings, minutes of the meetings, or any other similar document that should be kept permanently. -----

----W. All other duties and/or tasks assigned by the Council of Owners. -

Section Five (5) – Powers and Duties of the Officials of the Board of Directors

----A. The President of the Board of Directors shall have the following duties and powers: -----

----(i) The President shall preside over all the meetings of the Council of Owners and the Board of Directors. -----

----(ii) The President represents the Association in all matters, including legal actions. The power to represent the Council of Owners in any court proceedings may be delegated to the Managing Agent or any other member of the Board of Directors, as it may be necessary, with the approval of the Council. All legal settlements exceeding five thousand dollars (\$5,000.00) require owner’s approval. -----

----(iii) The President shall call the regular and special meetings of the Council of Owners and the Board of Directors, in accordance with these Rules and Regulations and the Condominium Act. -----

----(iv) He/she shall execute and sign all contracts and agreements on behalf of the Council of Owners with the consent and approval of the Board of Directors. -----

----(v) The President shall designate Committees of Owners of the Condominium whenever he/she may deem necessary to assist in the

furtherance of the operation of the Condominium. -----

-----(vi) He/she shall oversee that the books, reports, statements, and certificates required by the Commonwealth of Puerto Rico and these Rules and Regulations be maintained, issued, and duly filed by the Managing Agent. -----

-----(vii) The President shall submit an annual report of the operations related to the general common elements of the Condominium to the Council of Owners at their annual meeting. -----

-----(viii) From time to time, he/she shall notify the Board of Directors about all matters within his/her competence that in the best interest of the Condominium may require to be brought to the consideration of the Board, or which the Board may request. -----

-----(ix) In general, the President shall fulfill all other duties germane to his/her office and any other assignment or task required by the Council of Owners and/or the Board of Directors. -----

-----(x) The President shall notify all actions taken to the owners within thirty (30) days following any such actions. -----

----B. The Vice-president of the Board of Directors shall fulfill the duties of the President upon his/her absence or inability to act. In general, he/she will assist the President, and fulfill the duties assigned to him/her by the Board of Directors. -----

----C. The Treasurer shall have the following duties and powers: -----

-----(i) To be the custodian of all accounts and banking instruments where the funds of the Council of Owners have been deposited or which represent funds thereof, regardless of their source; safeguard the assets, and be responsible for compliance with the financial obligations. The Treasurer signature will be registered as an authorized signature for checks drawn for the payment and disbursement of the obligations of the condominium. -----

-----(ii) To coordinate with the Managing Agent and/or accountant to be contracted, 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, specifying the accounts that were affected, thus keeping proper accounting books. -----

-----(iii) To coordinate also that the information entered in said book as well as proof of the entries made therein are available for examination by the owners of the Condominium, at convenient days and hours that have been notified to the community. -----

-----(iv) To coordinate and supervise with the Managing Agent and/or accountant to be contracted, the collection of the amounts which the owners shall contribute on account of common expenses and any other amount that must be paid and follow up with the collection and payment

efforts as may be necessary. -----

-----(v) To receive and review on a monthly basis, all the financial statements of the accounts where the common funds have been deposited, verifying that the deposits have been made within a period that shall not exceed five (5) business days from receipt thereof, and confirming the validity and accuracy of every check drawn and paid, and that there is a receipt or a voucher for each one of these disbursements. The Treasurer cannot draw checks or any other negotiable instrument to the bearer. -----

-----(vi) To coordinate the drafting, together with the accountant to be contracted, or by him/herself, 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. -----

-----(vii) To deposit the amounts collected in the appropriate accounts and ensure that the reserve fund is used as stipulated by the Condominium Act.

-----(viii) To sign those requested certifications pertaining compliance with payment plans for debts on account of maintenance fees and assessments as approved by the Board of Directors, and to supervise that the disconnections of the Condominium’s common elements services carried out by the Managing Agent are in accordance with the Condominium Act.

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-----(ix) All other duties and tasks germane to the Treasurer office and those assigned or delegated thereto by the Board of Directors or the Council of Owners. -----

----D. The Secretary of the Board of Directors shall have the following duties and powers: -----

-----(i) Shall draft the notices for the meetings of the Council of Owners and notify those in the manner provided under the Condominium Act and these Rules and Regulations. -----

-----(ii) Shall draft the minutes of the meetings of the Council of Owners and of the Board of Directors. -----

-----(iii) Shall certify together with the President the minutes of every meeting. -----

-----(iv) Shall issue, as they appear in the Book of Minutes, all the certifications which may be deemed necessary with the approval of the Board of Directors. -----

-----(v) Shall communicate the resolutions adopted by the Council of Owners and the Board of Directors to all the absent owners in the manner provided by the Condominium Act and these Rules and Regulations. -----

-----(vi) To keep 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, including, but not limited to, documents relating to the fiscal activities of the Condominium, the minutes of the meetings of the

Council of Owners, the minutes of the meetings of the Board of Directors, the Book of Owners, and awarded contracts. The personal information of other owners shall not be made available to any owner, except for the name, email address and mailing address, for purposes of calling the meetings of the Council of Owners. However, the owners may authorize the Board of Directors to provide additional information from the Book of Owners. -----

-----(vii) All other duties and tasks germane to the Secretary office and those assigned or delegated thereto by the Board of Directors or the Council of Owners. -----

Section Six (6) – General Managing Agent and Contracting Requirements

----A. With the advice and consent of the Board of Directors, the Council of Owners may appoint by a majority vote a Managing Agent who might be a natural or juridical person. The Managing Agent must have the necessary experience in property management and maintenance and provide protection to the general common elements of the Condominium. The Council of Owners may remove the Managing Agent for good cause. Good cause shall be deemed to be gross negligence or neglect of duty, dishonesty, or the breach of the codes of good conduct of the condominium, or noncompliance set forth in the agreement. -----

----B. Any management contract must include the following minimum requirements at the expense of the Managing Agent: -----

1) a public liability insurance policy in an amount of not less than five hundred thousand dollars (\$500,000.00); -----

2) a dishonesty or crime insurance policy; -----

3) a fidelity bond in an amount of not less than five hundred thousand dollars (\$500,000.00); -----

4) hold a valid workers' compensation insurance policy issued by the State Insurance Fund Corporation; -----

5) the Managing Agent shall make arrangements to obtain the corresponding Condominium Managing Agent certification and license pursuant to Regulation 9263 of the Department of Consumers Affairs (DACO), approved on February Eighteen (18) of Two Thousand Twenty One (2021) and; -----

6) the Managing Agent must provide the Board of Directors with a Negative Certificate of Criminal Record. If the Managing Agent is a juridical person, the Negative Certificate of Criminal Record shall be that of the Chief Executive Officer of the entity and of all-natural persons directly involved in the management of the Condominium. The requirements set forth herein shall be valid and current for the term of the contractual relationship. -----

----C. If the Managing Agent is also an owner of the Condominium, he/she shall not have any outstanding debts on account of maintenance

fees, assessments, and/or master insurance policy of the Condominium for the term of the agreement. -----

Section Seven (7) – Duties and Obligations of the Managing Agent

----A. With the approval and consent of the Council of Owners and the Board of Directors, and on its behalf, the Managing Agent shall authorize all maintenance contracts, and any other corresponding documents. -----

----B. To address all matters concerning good governance, administration, surveillance, maintenance, care, upkeep and operations of general and common elements, and the overall services of the condominium. -----

----C. In coordination with the Secretary of the Board of Directors, keep a Book of Owners, which shall include the name, mailing and street address, telephone number and signature of the owners, keeping a record of subsequent transfers and leases in identical manner, including a copy of the sales deeds showing ownership for each condominium unit. The Book will be used to authenticate the signatures of the owners, when necessary and should contain the choice in which the notifications shall be made, along with the certifying signature of the owner, and if so authorized, that every document be notified through alternate methods, such as fax, email, or text message, among others. -----

----D. To maintain a Book of Leases that will include the information of the owner, number of the leased apartment and the name, street and mailing address, and telephone number of the lessee, and the leasing term or period of lease, which term shall not be less than thirty (30) days. The Managing Agent shall notify annually to the Municipal Revenue Collection Center (CRIM) of those apartments subject to short-term rentals in the Condominium. -----

----E. To direct the financing matters of the Condominium, and keep a book with a detailed account, in coordination with the Treasurer of the Board of Directors, containing all revenues and expenditures affecting the property and its administration, with accounts payable, in chronological order, and specifying the maintenance and repair expenses of the common elements. -----

----F. To maintain adequate accounting records pertaining to the general common elements, with vouchers of income and expenditures, and the available balance in the reserve account, along with the vouchers related to disbursements. -----

----G. To collect from the owners, all assessments for common expenses and collect any other funds to which the Council of Owners may be entitled. This power to collect dues shall include, and not be limited to maintenance fees, assessments, Condominium insurance, fines, interests, and penalties, among others. A penalty of up to ten percent (10%) of the outstanding fees may be imposed fifteen (15) days after the monthly

installment is due. The Board of Directors and its President may authorize the Managing Agent, on behalf of the Council and the Association of Owners, to initiate all necessary collection efforts, including legal procedures before courts of justice. -----

----H. On behalf of the Council of Owners, and upon prior authorization of the Board of Directors, the Managing Agent may hire and remove the personnel, set a working schedule and the compensation for the personnel; maintain the corresponding records and reports, and comply with all the legal requirements applicable to the personnel. -----

----I. To overlook the compliance with these Rules and Regulations, adopting and recommending to the Council of Owners and the Board of Directors, from time to time, procedures or rules that may ensure the best use of the general facilities of the Condominium by the owners, relatives, lessees, occupants, or guests. -----

----J. To receive, formulate, and direct complaints for violations incurred by owners, guests, lessees or occupants with the approval and consent of the Board of Directors. -----

----K. With the approval and consent of the Board of Directors, notify and collect penalties up to one hundred dollars (\$100.00) per violation on the owners or their visitors, or doubled up the amount to a maximum of two hundred dollars (\$200.00) if the violation is committed by the lessee of a short-term rental. -----

----L. To keep all records and prepared the required reports by the laws of the Commonwealth of Puerto Rico or by these Rules and Regulations. -

----M. In coordination with the Secretary of the Board of Directors, shall keep a permanent record of the minutes of all the meetings of the Council of Owners. -----

----N. In coordination with the Treasurer of the Board of Directors, provide information and collaborate in the preparation of the annual budget. -----

----O. To maintain all accounting books, bank accounts, vouchers, and book of minutes pertaining to the general common elements and the Council of Owners, so that they are available for examination by the owners, provided that the owner notifies the Managing Agent and after having coordinated a place, date and time to examine the books. -----

----P. In case of a change of Managing Agent, the outgoing Managing Agent shall deliver, with an acknowledgment of receipt, all records, documents, keys, and property belonging to the Council of Owners upon the Board of Director's request, and the unjustified withholding thereof shall be prohibited. -----

----Q. All other powers and tasks that may be assigned by the Board of Directors. -----

ARTICLE FOUR (IV) RIGHTS AND DUTIES OF OWNERS,  
TENANTS AND OCCUPANTS

Section One (1) – Rules Governing the Use of the Apartments:  
Violations

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

----- (1) Each apartment shall be devoted only for the use provided in the master deed. -----

----- (2) Apartment occupants shall not make unnecessary or loud noises, or cause trouble, nor engage in actions that disturb the peace of other owners. -----

----- (3) All owners shall exercise due diligence in the use of the property, and in their relationships with other owners, and shall be liable thereto for violations committed by their relatives, guests, or service providers, and in general, by all persons who occupy their apartment for any reason, without prejudice of any direct actions against such persons. -----

----- (4) All repairs and installations pertaining to water, electricity, gas, sewer, telephone, air conditioning system, windows, doors, lamps, masonry, carpentry, and any other equipment or service inside each apartment, shall be the sole responsibility of the owner of said apartment and at his/her own expense. Every owner shall have the unavoidable duty to carry out any repair and security works as soon as necessary, in order not to affect the safety and appearance of the property. -----

----- (5) Any owner who causes damages to any facility or limited common area of the Condominium shall be required to reimburse immediately the expenses incurred by the Council of Owners or the Managing Agent for the repairs. -----

----- (6) The apartments shall be used solely and exclusively for residential purposes. -----

----- (7) The apartments shall not be used for purposes that are unlawful, immoral, or contrary to public order, or good habits. -----

----- (8) No owner, visitor, tenant, or occupant shall obstruct with, or store materials, luggage or other personal belongings in spaces designated as general common elements, except that a general common area has been designated for such purposes by the Council of Owners. -----

----- (9) No owner, visitor, tenant, or occupant will be allowed to hang clothing, towels, plants, flowerpots, or any other items from balconies, windows, or exterior walls of the buildings. Only during the Christmas holidays decorative items or lights may be allowed to be placed on the balconies, as long as does not affect the building's appearance, or constitute a threat to the safety of other owners. -----

----- It is also prohibited to attach, affix, or hang insignias, signs, announcements, plaques, posters, banners, or boards made of wood, glass, metal, or any other material, in the exterior walls of the condominium, roof, windows, balconies or handrails of the apartments. For those

purposes, a space or bulletin board will be designated. -----

-----(10) Under no circumstance, the balconies of the apartments shall be closed up with concrete or wood, and no construction or alterations can be made therein. -----

-----(11) No radio, TV, digital cable, or any other type of antennas may be installed on the balconies, exterior areas, or limited or general common areas of the condominium. -----

-----(12) The owners of apartments A-PH-01, A-PH-02, B-PH-01 and B-PH-02 may place air conditioning compressor units in the roof area without roof tiles on the 9<sup>th</sup> floor of the respective buildings. The owners of other apartments may only use the floor area of their respective balconies to place any additional air conditioning compressor units. -----

-----(13) The installation of iron bars will be allowed only in the interior of the apartments, with the exception of the balconies, and according to the style approved uniformly by the Board of Directors and/or the Architectural Committee designated to such effects. -----

-----(14) The owners may install awning curtains in the balcony area. The awning curtains to be used by the owners shall be of the design, color and construction approved uniformly by the Board of Directors and/or an Architectural Committee designated to such effects. The awning curtains that look deteriorated because of the course of time shall be replaced or repaired immediately. Once the design, color and construction of the balcony's curtains are approved, it may only be modified by two thirds (2/3) approval of all the owners. -----

-----(15) In the event of an emergency or an urgent situation as fire, short circuit, explosion, hazard substances or flooding among others, which requires immediate access to an apartment in order to carry out mitigation or repair works, and prevent greater damages to the property of the owner, the Condominium or other owners, or that endanger the life and health of the owners or third parties, 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 required personnel to correct the situation at the owner's expense. 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. -----

-----(16) In addition, the Board of Directors may authorize the entrance to an apartment in order to make repairs related to electricity, plumbing, telephone lines, or any other installation that may be affecting other apartments or common areas of the Condominium. However, since it will not constitute an emergency or urgent situation, a petition for access to the apartment must be made in advance, so that the entrance may take place at

a convenient time for the owner, tenant, or occupant. -----

-----(17) When the Board of Directors or the Managing Agent have to intervene to detect a leakage or an issue that is affecting private or limited common areas, and upon investigation, it is concluded that the problem was originated in an apartment, the owner of said unit shall reimburse the expenses incurred by the Condominium for the 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 a past due maintenance fee for said month. The total expense amount shall be immediately notified to the owner. -----

-----(18) The owners, tenants, occupants, and visitors shall reimburse the expenses incurred by the Condominium for repairs or the replacement of any common element damaged by any one of them. -----

-----(19) It is prohibited to dump garbage outside the areas designated for that purpose. -----

-----(20) It is prohibited to clean or shake the dust-off rugs or any other item over balconies, windows, doors, or any other opening leading to the exterior of the building. -----

-----(21) No owner, tenant or occupant may install outdoor wiring for electronic devices, telephone lines, antennas, or machinery of any kind, nor for air conditioning units. -----

-----(22) Flammable, combustible, explosive, or chemical products shall not be allowed to be stored in the apartments, except for common cleaning products of general use. -----

-----(23) Cooking or barbecuing shall not be allowed in the common areas, except in those provided to such effects (kitchen and BBQ area). In addition, no cooking or barbecuing will be allowed on the balconies of the apartments. -----

-----(24) Children will not be allowed to play in the lobby area, stairs, or elevators. -----

-----(25) Hurricane shutters: the shutters that may be used by the owners of the Condominium shall be white accordion hurricane shutters. No owner may install shutters other than the ones approved by the Board of Directors or the Architectural Committee. However, once the concerned agencies issue a hurricane or storm watch or warning, the use of any type of temporary or removable hurricane shutters shall not constitute an alteration of the exterior appearance. -----

-----(26) No car washing, or automotive work will be allowed in the parking area or any other exterior common area, except for any emergency that may require minor automotive work. -----

-----(27) It is prohibited to rent apartments of the Condominium through any kind of federal, state, or municipal housing subsidy program, including Section 8 tenants. -----

----(28) All beepers and master keys will be regulated by the Board of Directors, and its regulation may be delegated to the Managing Agent. In case that any owner requires a duplicate, the Board or Managing Agent will establish the corresponding uniform fee that the owner must pay for the purchase of additional beepers and/or duplicates of master keys. -----

----(29) Every owner, tenant, occupant, or visitor shall strictly abide by the provisions contained in the master deed, the Condominium Act and these Rules and Regulations, and any amendments that may be adopted from time to time by the governing bodies of the Condominium. -----

Section Two (2) – Pet Rules

----The following rules shall be applicable to those owners or tenants who are pet owners: -----

---- (i) An owner may keep up a maximum of two (2) household pets (dogs or cats) for apartment, but such pets shall not create any unreasonable disturbance, interfere with the peaceful enjoyment of other owners, or become a nuisance, in such case the pet owners shall be responsible for their animals' behavior. -----

---- (ii) No pet shall weigh more than fifty-five (55) pounds and should not be bigger than twenty-five inches (medium size pets). -----

----(iii) Every owner or lessee renting for six months or more, shall inform the Managing Agent about his/her intention of bringing one or two household pets to the Condominium, and it shall be necessary for him/her to fill out a Pet Registration Form. The information that must be included in the Pet Registration Form is the name of the owner, his/her telephone number, email address, apartment number, and mailing address. Likewise, for each household pet the Form must include the pet's name, age, gender, breed, color, weight, height and a current 2x2 photograph of the pet. Also, the Form will include the name of the pet's veterinarian, his/her license number, office address and phone number. -----

----(iv) Every pet owner shall have the obligation to provide the Managing Agent with a health certificate for each household pet filled and signed by the veterinarian, containing the necessary vaccination information, and certifying that the pet is free of parasites or any other contagious condition, and also certifying that the pet is not aggressive or dangerous. A form to such effects will be provided and shall be available at the office of the Managing Agent. -----

----(v) All owners and tenants who own a pet must submit a copy of endorsement to the Managing Agent certifying that their personal insurance policy covers his/her pet against legal actions from third parties or damages caused to another person or common or private person. In case that the owner or tenant does not have any such policy or decides not to have one, he/she shall sign a release of liability in favor of the Council of Owners and the Board of Directors of Macor By the Sea and hold them

harmless against loss or liability of any kind arising from their pets. -----

-----(vi) The Board of Directors reserves the right to reject any request pertaining a pet that may be considered highly dangerous due to its breed, nature, or temperament; and such requests will be evaluated on an individual basis. -----

-----(vii) All owners with pets must pay a one-time Registration Fee for the amount of fifty dollars (\$50.00) and a fee of twenty-five dollars (\$25.00) annually per pet in order to preserve the facilities and designated areas in the Condominium for pets relieve. -----

-----(viii) The owners, tenants or other persons who walk pets on the designated areas in the Condominium are responsible for immediately cleaning up after their animals and to dispose the pet waste or droppings in a securely closed bag. Likewise, in case of any incident where pets relieve themselves outside the designated areas, the owner, tenant, or person in charge of the pet shall clean or pick up immediately any waste or droppings. -----

-----(ix) It is prohibited to walk the pets so they can relieve themselves in the areas surrounding the gazebo, wooden deck, or green areas in front of the swimming pool. Pets will not be allowed to stay in or around the recreational areas, wooden deck, gazebo area, swimming pool, jacuzzi, activities room, game room or gym. Neither any pet can be inside the swimming pool or jacuzzi. The only exception to this rule is that owners or long-term tenants renting for 6 months or more, might pass through the wooden deck with their pets restrained on a leash and collar when in transit to the beach. -----

-----(x) The owners and tenants should keep their pets clean and odor-free. Also, pets must be confined to their owner's apartment and must not be allowed to roam free around the Condominium premises or common areas. Whenever the pets are outside the apartments, they must be restrained at all times on a leash and collar and accompanied by the owner, tenant, or person in charge. -----

-----(xi) A pet that turns aggressive or possess a potentially dangerous propensity might be banned to be in the premises or any unit of the Condominium. Also, the owner, tenant, or person in charge of a pet may be held liable and responsible for any damages or injury caused by their pets. -----

-----(xii) In case that any pet attacks or bites a person or another pet, a complaint may be filed with the Puerto Rico Police Department, depending on the severity and circumstances of the incident under the law. Likewise, the Board of Directors may issue a decision to refrain the owner or tenant from ever bringing his/her pet to the premises of the Condominium or to any apartment thereof and may be held liable for the damages or injuries caused. -----

----(xiii) The owners, tenants or persons in charge shall watch that their pets do not become a nuisance, or excessively barks if dog, or meowing if cats, up to the point of triggering complaints from the neighbors. If such is the case, the owner will be notified as soon as possible and must immediately take the necessary measures with the pet to control the unreasonable disturbance to other owners. -----

----(xiv) Tenants or lessees renting in the Condominium for six (6) months or more will be allowed to have pets subject to these provisions. The owners-lessors must notify these rules to renters, and renters must abide to their compliance, including the need of filling out the information and data in the Pet Registration Form and to submit the pet's vaccination documents and health certificate to the Managing Agent. -----

----(xv) If any pet causes material damages to property of the Condominium, the owner and/or renter who owns the pet will be responsible for the repairment or indemnification of the damages. The cost of repairs shall be assessed and included in the next maintenance fee against the owner. -----

----(xvi) Prohibitions and limitations of weight or areas where pets can be, does not apply to service animals that are duly trained and certified to work or perform tasks for the benefit of a disabled person as defined in state and federal laws, such as the Americans with Disabilities Act (ADA). A disabled owner or renter might be accompanied by his/her service animal anywhere in the Condominium except inside the pool or jacuzzi. --  
----There is a distinction between service pets and emotional support or comfort animals and are not the same. Owners of emotional support or comfort animals shall abide to all prohibitions, areas, and weight limitations for their pets. Owners of both service animals and emotional support animals must comply with the Pet Registration Form and Registration Fee. -----

----(xvii) Violations to these Pet Rules may be subject to verbal, written warnings, and fines of up to one hundred dollars (\$100.00) per incident for owner's pets or up to two hundred (\$200.00) for infractions by renters' pets. -----

### Section Three (3) – Use of Parking Spaces

----A. No owner, renter, or occupant might park in areas not designated as parking spaces or in the parking space of another owner. Also, no one may park a vehicle obstructing the common areas, or the access or exit of other owners from their parking lots. -----

----B. No owner, renter or occupant may park in areas designated for individuals with disabilities, without displaying in a visible place the official disabled person parking permit or placard issued by the Puerto Rico Department of Motor Vehicles or another local or federal agency. ----

----C. Parking spaces are considered an inherent part of the apartments to

which they have been assigned, giving the owner the exclusive right to park his/her motor vehicles (automobiles or motorcycles), and the right to enter or exit the parking lot through general common elements of the Condominium. -----

----D. Parking spaces may be leased exclusively between owners, or from owner to renter, after giving notice to the Managing Agent and the Council of Owners, and after all precautions have been taken so that the renter, if not an owner, be bound to the terms and conditions set forth in the master deed and these Rules and Regulations. The only renters' who may lease the parking spaces from an owner shall be those with a lease agreement in the condominium for more than six (6) months. -----

----E. No boats, jet skis, trailers, trucks exclusively designed to transport cargo, freight containers, campers or construction equipment shall be parked or kept on any parking or common area of the Condominium. No car washing or automotive work will be allowed in the parking area or any other exterior common area, except for any emergency situation of any owner, tenant or occupant that may require minor automotive work in order to move a vehicle. -----

----F. The owners, tenants or occupants will park their vehicles at their own risk. Every owner, tenant or occupant shall have the duty to secured and lock their vehicles, and to not leave no valuables inside (including the beepers for access to the Condominium). -----

----G. It shall not be allowed to park or kept vehicles that are unserviceable, unregistered, or without plates upon any portion of the common elements which may affect the appearance of the Condominium. Any such vehicles shall be removed immediately by the owner. -----

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Section Four (4) – Move In-Out, Deliveries and Pickups of furniture and/or appliances

----A. Moves, deliveries and/or pickups of furniture or large appliances shall be carried out in an orderly fashion and without damaging the general common elements, stairs, or elevators, provided that the owner has already notified the same, and upon the authorization of the Managing Agent. The notification for move in-out, or deliveries and pickups must be given to the Managing Agent at least forty-eight (48) hours in advance.

----B. Move in-out notification, deliveries and/or pickups of furniture and large appliances shall include, if possible, the name and telephone number of the Company or person who will carry out the move, delivery and/or pickup, and the date and approximate time of the moving, delivery, or pickup. -----

----C. Moves, deliveries and/or pickups of furniture or large appliances may take place Monday through Friday, from 8:00 AM to 5:00 PM, and Saturdays, from 8:00 AM to 12:00 PM. No move in-out, deliveries or pickups are allowed on Sundays or holidays. -----

----D. Every person who notifies the Managing Agent of the intention to move in-out, shall post a bond of three hundred dollars (\$300.00) to cover any damages that may be caused to the property. Said amount will be returned once it is corroborated that no damages were caused to the property, any common element of the Condominium, or the elevators. In case of damages amounting less than three hundred dollars (\$300.00), the remaining amount will be returned in proportion to the damages caused. --

----E. Likewise, in case that a delivery and/or pick up takes place, and any damage is caused to the facility or common elements of the Condominium, the owner or occupant shall be required to reimburse immediately the expenses for the repairs incurred by the Council of Owners or the Administration. -----

Section Five (5) – Procedures and requirements for noise-producing alterations, improvements, or repairs in the Apartments

----A. Having so requested, and upon authorization of the Board of Directors and the Administration Office, the owners may make noise-producing alterations, improvements, or repairs in their apartments, on weekdays, Monday through Friday, from 8:00 AM to 5:00 PM. No alterations, improvements, or repairs which produce noise are allowed on Saturdays, Sundays, or holidays. -----

----B. Every authorization issued by the Board of Directors and the Administration Office for alterations, improvements or repairs which generate noise and debris is limited to a period of two (2) months for the completion of said work, as of the date of request. The owner must apply for an extension from the Administration Office if more time is needed for completion. -----

----C. Those owners who intend to make noise-producing alterations, improvements or repairs must fill a form and request for authorization from the Board of Directors and the Administration Office which shall include the following information: -----

- a) name, telephone number and specific address of the contractors to be hired, whether they are natural or juridical persons; -----
- b) identification of the equipment and materials that will be used in the alterations, improvements, or repairs, including the contractor's motor vehicles; -----
- c) detailed and specific description of the work to be performed, including a sketch or site plan of the alterations or improvements; -----
- d) if necessary, provide a certification from a structural engineer asserting that no loading-bearing wall will be affected with the alteration or

improvement on the Apartment. -----

e) estimated time for completion of the work. It shall be necessary to post a bond of five hundred dollars (\$500.00) to cover any damages that may be caused to the common areas of the Condominium. Said amount will be returned in five (5) business days after completion of the work, and once corroborated that no damages were caused to the property, or any common element of the building. If the damages exceed the amount of the bond, the owner shall be liable for the excess. In case of minor damages, the remaining amount will be returned in proportion to the damages caused. --

----D. Once the Board of Directors and the Managing Agent grants the authorization in writing, the owner shall coordinate with the Managing Agent Office the day and time when the works will start. For such purposes, the owner needs to coordinate with the Managing Agent Office, at least, three (3) days prior to commencement of work. -----

----E. The owner shall have the responsibility to instruct the service providers, contractors, and those in charge of the improvements, alterations, or repairs to abide by the following Rules: -----

(i) To keep all works and carry those materials and tools, on the scheduled days and time authorized by the Administration Office. -----

(ii) To use the designated loading or cargo area to carry in-out all materials and tools and keep it clean. -----

(iii) To use only wheelbarrows or hand trucks to carry materials or for debris disposal. -----

(iv) To take care, protect and clean, on a daily basis, the spaces used for the transportation of materials and debris, such as the lobby, hallways, floors, elevators, and the staircase exits, among other areas, so that no residues of paint, sand, trash, debris, or other materials are left behind. ----

(v) To instruct workers that they shall clean their shoes sole before exiting the apartment during the undergoing alteration, improvements, or repairs, and that they shall not place their hands against the common walls, hallways, staircases, or elevators in order to avoid staining them. -----

(vi) The equipment and materials necessary for the alterations, improvements or repairs should be at all times inside the apartment in process. Common areas, hallways, stairs, or parking spaces may not be used as a workshop or storage area. -----

(vii) To take away all debris, surplus materials, solid or liquid waste derived from the work, including wood, concrete, sand, tiles, stones, or paint, among other materials. The waste containers or dumpsters of the Condominium shall not be used for the deposit or disposal of debris or surplus construction materials. -----

----F. When a plumbing work on any of the apartments requires to shut-off the common elements water valves of that building, the owner must give advance notice to the Managing Agent or Administration Office

and allow the coordination for the water shut-off in order to warn the affected neighbors or owners. All plumbing works must be done by certified plumbers. Emergency plumbing repairs in the apartments must be done immediately to prevent floods and damages to other apartments or common areas of the Condominium. -----

----G. The procedure herein established will not restrict minor works or repairs that do not generate excessive noise, such as minor drilling or hammering for hanging pictures, painting, repairs of electric appliances, or the clean-up of air conditioning units, among others. This type of minor work will not require a prior authorization from the Board of Directors or the Managing Agent. -----

----H. This procedure will not restrict noise-producing repairs in case of an emergency in any apartment, which requires to unclog plumbing pipes, dry out flooded areas, fire, or electricity-related emergencies. -----

Section Six (6) – Use of the Swimming Pool, Jacuzzi, Gymnasium, Deck, Surrounding Areas and Beach Access

----The swimming pool, jacuzzi, gym, game room, TV set, BBQ, boardwalk or deck, pool tables and chairs, kitchen area and the access gate to the beach are the property of all the owners of Macor By the Sea, and shall be available exclusively for the use and enjoyment of the owners, their families, or guests, subject to the following rules to promote security, hygiene, conservation, and encourage peaceful coexistence among the condominium community in general: -----

----A. The hours of operation of the pool, jacuzzi, deck, recreational area, TV set, kitchen and BBQ shall be Sunday through Thursday, from 9:00 AM to 9:00 PM. On Fridays, Saturdays, or special days, such as Christmas Day, or programmed activities of the Council of Owners, the hours of operation shall be from 9:00 AM to 10:00 PM, subject to the discretion of the Council of Owners and the Board of Directors. -----

----B. It is strictly prohibited to smoke or use electronical cigarettes or vape pens in the premises of the swimming pool, jacuzzi, deck, entertainment and playroom, kitchen, or BBQ. -----

----C. The gym may be used by the owners, renters, or occupants every day from 5:00 AM to 10:00 PM. The posted safety rules shall be observed, and users must avoid unnecessary or excessive noises. Sportswear and tennis shoes must be worn at all times. It is strictly prohibited that minors under the age of thirteen (13) years make use of the gym or use it as a playground. Minors under the age of thirteen (13) years might be at the gym when accompanied by an adult. -----

----D. The kitchen area shall be used by the owners and their relatives following the corresponding rules of coexistence and avoiding unnecessary noises or disturbances. On special occasions, the kitchen area may be reserved submitting an application from the owner to the

Managing Agent Office with, at least, five (5) working days prior to the gathering or special occasion. Said request must specify the purpose of the event, and the number of guests, which is limited to sixteen (16) guests including the owners. The Board of Directors and the Managing Agent Office may require, at their discretion, that a bond be posted if deemed necessary, or may also require the payment of a special assessment for the exclusive use of said facility. Likewise, the number of guests may be restricted when it is deemed that the activity may potentially cause damages or detriment to the facilities and kitchen area. Applications to reserve the kitchen area for special occasions is limited to two (2) requests per apartment annually. -----

----E. Use of the Swimming Pool and Jacuzzi: -----

----(i) No children under the age of thirteen (13) years will be allowed without adult supervision. -----

----(ii) It is strictly prohibited to use glass containers, bottles, and to smoke or eat inside the swimming pool and the jacuzzi. Beverages inside the pool or jacuzzi will only allowed in plastic or stainless-steel cups. ----

----(iii) Owners, renters, occupants, and guests may use the swimming pool and jacuzzi at their own risk. Neither the Board of Directors, nor the Council of Owners shall be held liable for damages and prejudices or accidents that may occur. It shall be the responsibility of parents or custodians to supervise children under the age of thirteen (13) years and assume responsibility for their acts. There are no lifeguards available in the area of the swimming pool and the jacuzzi. -----

----(iv) A bathing suit is required to use the swimming pool and jacuzzi. No person will be allowed wearing shredded pants or jeans, inappropriate shirts, or attire not suitable for the use of the pool or jacuzzi. Infants or babies shall use swim diapers at all times. -----

----(v) Every person must take a shower before using the swimming pool or the Jacuzzi and completely wash any sand, dirt, or grass off their feet. Parents or custodians must clean their minor children's feet. -----

----(vi) No animals or pets are allowed in the swimming pool or the jacuzzi. -----

----(vii) It shall be the responsibility of the owner, renter, or occupant to leave no trash at the premises of the swimming pool or jacuzzi. -----

----(viii) In order to prevent accidents and unnecessary noises in the area surrounding the deck, swimming pool and the jacuzzi, no running, rough play, shouting, screaming, boisterous, profane, or abusive language will be permitted. -----

----F. The BBQ area is for the equal enjoyment of all owners, renters, or occupants; thus, the area cannot be reserved for the exclusive use of any owner, renter, or occupant. Every person using the BBQ must occupy the minimum space possible at the grill, so that other owners may use any

available space. Metal BBQ utensils must be used, and once the meal has been prepared, the owner, renter or occupant shall turn the gas valve off, clean the grill and the adjacent BBQ area that was used, disposing of all the garbage and trash, leaving the area ready for the use and enjoyment of the next owner, lessee, or occupant. -----

----G. The use of the deck, chairs, umbrellas, and tables shall be for the enjoyment of all owners, renters, occupants, and visitors. Every owner or renter shall be responsible for the acts of their relatives or guests, and shall abide to general rules of peaceful coexistence, the master deed, the law, and these Rules and Regulations. Small coolers and food can be brought to the deck area and tables, but every owner, renter or occupant have the responsibility to keep the area clean and in an orderly state, and to dispose of all garbage or trash once they finish using the area. -----

----Music can be played at the deck in a reasonable volume, as long as the tranquility and enjoyment of other owners or renters are not affected or disturbed. It is totally prohibited to play music with offensive, sexually explicit, abusive, or racist lyrics, as well as rough play, fighting, shouting, profane language, or dirty jokes. Consumption of alcoholic beverages must be moderate and exhibiting respectful, prudent, and good behavior towards other owners, renters, occupants, relatives, or guests present at the deck. -----

----H. The access gate to the beach shall be for the exclusive use of all owners, renters, occupants and their respective relatives or guests, and shall be remain locked at all times. All owners must safeguard and protect the keys in order not to lose them. Likewise, the owners, renters or occupants shall be on the lookout for any outsider who may intend to gain access to the facilities, showers, deck, bathroom, swimming pool, jacuzzi or BBQ, among other facilities. -----

----I. The beach area used by the owners, renters, occupants and their respective relatives or guests must be kept in its natural state, according to the environmental preservation and protection standards. Once the owners, renters, occupants, or guests finish using and enjoying the beach area, they shall dispose of all garbage or trash and deposit it in the garbage bins located near the access gate to the beach. -----

----J. Every owner, renter, occupant, relative thereof, or visitor who causes damages to the property or common facilities of the Condominium, such as the BBQ, showers, deck, tables, chairs, kitchen appliances, TV set, furniture, toilet, sink or gym equipment, among others, or in any manner disrupts or deters the operation of the swimming pool or the jacuzzi, shall be responsible for the expenses incurred for the repairs or replacement of the damaged or broken element. The expenses incurred for damages caused as described shall be included in the next maintenance fee of the owner, at the discretion of the Board of Directors, and upon authorization

to such effects, to the Managing Agent Office. The expense amount incurred, or to be incurred by the Board of Directors, Council of Owners or Managing Agent will be notified immediately to the owner.

-----K. Neither the Board of Directors, nor the Council of Owners or the Administration Office shall be held liable for damages and prejudices or accidents that may occur at the facilities of the Condominium, including but not limited to, the swimming pool and jacuzzi area, kitchen area, recreational area, TV room, gym, BBQ area, bathroom, stairs, deck, beach, lawn or any other common facility or element of the Condominium. It shall be the responsibility of parents or custodians to supervise children under the age of thirteen (13) years and assume responsibility for their acts.

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. There is no reasonable expectation of privacy at common areas of the Condominium as elevators, parking spaces, lobbies, hallways, pool, jacuzzi, deck, BBQ and beach gate access. There will be an implied waiver to any expectation of privacy when owners, family and visitors are at these common areas. Signs will be posted alerting of camera's presence around the premises of Macor By The Sea. Camera's installations have the main purpose of security enhance, criminal prevention and as deterrent for bad behavior, and enforcement of these Rules and Regulations. -----

-----M. The rules herein established are not restrictive but merely illustrative, thus, the Council of Owners, Board of Directors in collaboration with the Managing Agent shall have the power to amend, notify and publish, from time to time, additional rules of administration and of peaceful coexistence, which may need to be adopted due to practices or circumstances that may arise after the approval of these Rules and Regulations. -----

Section Seven (7) – Leasing and Occupancy

-----A. Any owner who intends to lease his/her apartment on a short-term or long-term basis, shall submit the Managing Agent Office at least five (5) business days prior to the commencement of the lease or occupation of the apartment. With the notification, the Managing Agent shall be informed of the renter's full name, physical and postal address, telephone number and the lease duration, in order to be registered in a Book of Leases that will be prepared and maintained by the Managing Agent Office. -----

-----B. Pursuant to the provisions of the Puerto Rico Condominium Act of 2020, a short-term rental is defined as any rental for a period of ninety (90) consecutive days or less. The use of digital platforms, such as Airbnb, Homeaway or Vrbo, among others, facilitates short-term rentals, thus strengthening economic activity and promoting tourism in our Island, specifically in Rincón. There is no absolute prohibition on this type of

leases at the Condominium. However, it shall be necessary that the owners comply with the following requirements: -----

-----(i) The owner shall be responsible for submitting the information of each renter, as well as a copy of the lease agreement to the Administration Office. -----

-----(ii) A short-term rental shall not be for less than thirty (30) consecutive days, as required by the master deed of horizontal property regime for the Condominium Macor by the Sea. -----

-----(iii) The owner must pay a leasing fee of fifty dollars (\$50.00) per rental, to the Council of Owners Association. -----

-----(iv) The owner, the lease agreement, as well as the promotion of the apartment in the digital platforms shall warn renters or potential renters of the applicability and enforceability of the provisions of the Condominium Act of Puerto Rico, the master deed and these Rules and Regulations. -----

-----(v) Any owner who intends to lease on a short-term or long-term basis, must provide to the Administration Office an endorsement from an insurance company for personal or property damages and hold harmless the Council of Owners and the Board of Directors from any damage or claim for damage that may arise among the renters, relatives thereof, or guests at the facilities or premises of the condominium during the lease period. -----

-----(vi) The owner shall be the sole responsible to register and pay to the Puerto Rico Tourism Company, any fees charged to guests on account of the occupancy tax and to notify the Municipal Revenue Collection Center (CRIM) of the volume of lease agreements annually. The Board of Directors, the Council of Owners or the Managing Agent shall not be responsible for the compliance of these requirements. The only exception will be, that the Managing Agent shall notify to the Municipal Revenue Collection Center of those apartments subject to short-term rentals in the Condominium. -----

----C. Any renter or occupant of an apartment in the Condominium will be covered by the provisions of these Rules and Regulations or subsequent regulations that may need to be approved from time to time. The owner-lessor shall provide the renter or occupant with a copy of these Rules and Regulations, or any other regulatory provisions approved at the time of the leasing. -----

----D. Once the Managing Agent Office is notified of a lease, the owner of the apartment shall certify that the renter will receive a copy of these Rules and Regulations, along with any other regulation approved or in force at the time of the lease; that the owner shall continue to be solely responsible for the payment of the maintenance fees and that failure to pay

the fees shall result in the disconnection of services, such as water and electricity; and that any conduct of the renter, occupant or guest of said apartment deemed to be harmful and detrimental to the best interests of the other owners, will lead the Board of Directors, through the Managing Agent, to take all necessary regulatory, administrative or legal remedies, including the imposition of fines against the owner. -----

----E. Those owners who sign lease agreements shall post a bond with the Managing Agent Office for the amount of five hundred dollars (\$500.00) to respond for any damages that may be caused by the tenants of the property. This bond will be returned upon completion of the lease, in case that no retaining is necessary to repair damages caused. If the damages exceed the amount of the bond, the Board of Directors, through the Managing Agent, may recover the surpass expenses from the owner. --

----F. Any owner-lessor will be responsible for the damages caused by the lessees or occupants of his/her apartment to the general common areas of the Condominium. -----

----G. The leased apartments shall not be occupied by more than six (6) persons during the leasing period, except for the penthouses, where a maximum of ten (10) persons will be allowed. -----

----H. It is strictly prohibited to sublet apartments. -----

Section Eight (8) - Obligation to Contribute to Defray Administration and Maintenance Expenses

----A. Apartment owners are bound to contribute proportionally to defray expenses related to the administration, upkeep, and repair of general common elements, and as the case may be, of the limited common elements of the Condominium, as well as any other legally agreed-upon expenses. -----

----B. No owner may refuse to contribute with the proportional expenses of administration and maintenance fees by waiving the use or enjoyment of the common elements of the Condominium, nor by abandoning his/her apartment. -----

----C. The proportional amount to be contributed by each owner to the common expenses shall be calculated, assessed, and imposed in accordance with the law, the master deed, and these Rules and Regulations at the beginning of each calendar or fiscal year, and shall be due and payable in monthly installments. Each installment is due on the first day of each month. -----

----D. The Board of Directors, through the Managing Agent Office, will send to every owner the corresponding bills for any amount owed on a monthly basis. The indicated amounts will be due and payable five (5) days following the notification of the monthly bill. -----

----E. The Managing Agent and the Administration Office may charge a penalty of ten percent (10%) of the outstanding fees fifteen (15) days after

the monthly installment is due. Defaulting on three (3) or more consecutive installments may entail an additional penalty equal to one percent (1%) per month of the total amount due. The Board of Directors is not required to accept partial payments. -----

----F. The proportional amount to be contributed to the common expenses of the Condominium is the obligation of each owner from the date of the execution of the purchase deed, whether the apartment is occupied or not. -----

----G. An apartment owner's liability for his/her percentage of interest in the common expenses shall constitute a lien on said apartment. Therefore, after the first sale, the voluntary acquirer of an apartment shall be jointly and severally liable with the transferor or seller for the payment of any unpaid amounts for fees related to administration, upkeep, and repairs, up to the moment of the conveyance, without prejudice to the right of the acquirer to recover from the transferor those amounts paid as a joint debtor. -----

----H. An involuntary acquirer shall be liable for debts on account of unpaid common expenses accrued during the six (6)-month period prior to the time of acquisition, except for any amounts pertaining to late fees, assessments, interest, and penalties attributable to the owner. However, it shall include the current balance accrued from the acquisition of said property by the involuntary acquirer. -----

----I. The Board of Directors, through the Managing Agent Office, may order the disconnection of drinking water, electricity, gas, and telephone utility services, as well as of intercom, video and data, or any other similar service when these are supplied through general common elements of the Condominium to any owners who owe two (2) or more payments of maintenance fees, assessments, or fines past due sixty (60) days or more, or when the owner has failed to pay any master policy insurance premiums for the Condominium. -----

----J. Prior written notice must be given to the owner before disconnecting any services, requiring that the total amount owed be paid in fifteen (15) days, including penalties and interest, and warning that if the payment is not made within the fifteen (15) days period, the services will be disconnected on the sixteenth day from the date of notice. -----

-----Within the fifteen (15) days following the written notice of disconnection, the owner must inform the Board of Directors if any special situation has arisen which resulted in a loss of income or has affected his/her payment capacity. If that is the case, the Board of Directors, together with the owner, may evaluate and approve a reasonable payment plan. However, the first noncompliance with said payment plan shall result in the disconnection of the services without prior notice. Services shall be reconnected upon payment of the total amount owed.

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-----K. The owner or occupant to whom any of the common services have been disconnected for failure to pay maintenance fees, assessments, fines or master policy insurance premiums, and without the authorization of the Board of Directors, the Managing Agent Office, by himself/herself or through a third party, reconnects such services, or in any other manner uses the common services of which he has been deprived, shall be punished by a fine equal to three times the amounts owed, including the principal and interest, without prejudice to the appropriate civil, administrative, or criminal actions that may proceed. -----

-----L. The Board of Directors, through the Manager Agent Office will engage in any collection effort, applying and accruing the common expenses, maintenance fees, assessments, fines, or any master policy insurance premiums, and applicable interest, until the full collection of the debt. If necessary, the Board of Directors, through its President, or conferred designation through the Manager Agent, may initiate legal efforts through the legal representative for collection purposes, including a claim of lien or preventive attachment against the assets of the debtor or debtors, once authorized by a Court of Justice. -----

-----The owner who is sued shall be responsible for the reimbursement of all administrative, legal, or out-of-court expenses incurred by the Council of Owners, the Board of Directors, or the Managing Agent, as well as an amount equal to thirty percent (30%) based on the debt amount for attorney's fees. Prior to initiating any legal action in a Court of Justice for collection of common expenses, maintenance fees, assessments, or fines, a written notification by certified mail must be given to the owner. The owner will have fifteen (15) days following the day of notification to pay in full the outstanding amount and if the payment is not received within that period the debt may be collected in court. -----

-----M. Any owner owing three (3) or more payments of maintenance fees, assessments, or fines past due sixty (60) days or more, or master policy insurance premiums shall be prevented from exercising his/her right to vote, or, participating as a member of the Board of Directors until the debt is paid off. Partial payments of past due amounts will not be accepted. ----

ARTICLE FIVE (V)- FINES

-----Failure to comply with any of the provisions relating to the rules of coexistence in these Rules and Regulations, the master deed, or the Section Thirty-nine (39) of the Condominium Act, by any owner, renter, their relatives, visitors, or service providers, could lead to the imposition of fines of ONE HUNDRED DOLLARS (\$100.00) exclusively to the owner per violation. Every new violation of the rules of coexistence shall be notified promptly to the fined 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 (\$200.00), at the discretion of the Board of Directors. Also, any violation could lead to initiate legal action for specific performance or damages and injuries caused by the owner, renter, occupant, or their relatives, visitors, or service providers to other owners, the community, or the Condominium. -----

----A. The Board of Directors shall identify, determine, and notify through Normative Letters the most common violations and suggested fines to be imposed per violation, amounts which shall not exceed the maximum amounts established by the Condominium Act and these Rules and Regulations. The amounts of fines and violations may be revised and modified from time to time by the Board of Directors. -----

----B. The Board of Directors may delegate to the Managing Agent the power to impose and enforce fines, and to receive, handle and direct complaints due to violations incurred by owners, renters, occupants, guests, or service providers, upon the approval and consent of the Board of Directors. -----

----C. The Board of Directors or the Managing Agent may take notice of circumstances or facts that may lead to the imposition of fines by preparing a minute containing the circumstances or facts observed, date and signature of the Director or the Managing Agent. Otherwise, a complaint may be received from another owner certifying with his/her signature, the circumstances or facts that motivate the complaint and date thereof. Said complaint may be direct through the Board of Directors or the Managing Agent Office. -----

-----D. Once the Board of Directors or Managing Agent receive a complaint or minutes signed by an owner, Director or Managing Agent, the Board of Directors or Managing Agent will notify the owner as soon as possible with a writing intention to impose a fine, including the description of the imputed violation, and the amount to be paid. After the notification of the intention to impose a fine, the owner will have ten (10) days to answer the written intention, accept the fine or deny the imputed violation. The Board of Directors or Managing Agent then will notify the owner of their final determination or might deem necessary to submit the controversy to a Conciliation Committee which will evaluate the dispute and submit the final determination and recommendation to the Board of Directors in ten (10) days. -----

----E. Once an owner is notified with the final determination by the Board of Directors or Managing Agent to impose a fine, which could also be based on the determination or recommendations of a Conciliation Committee, the owner shall have a period of thirty (30) days, from the date of the final determination notification to request, in writing, that the

fine be revised by the Department of Consumers Affairs (DACO). Said request must asserts the reasons for which the owner believes that the fine shall not be imposed and must notify the Board of Directors with a copy once submitted in DACO. Once the final determination of the Board of Directors or Managing Agent is notified to the owner, the fine will be notified in the next maintenance statement until paid by the owner or until otherwise decided or ordered by DACO. -----

----F. Having exhausted the challenge procedure in DACO, and if the owner does not prevail, the penalty will be assessed and included in the next maintenance fee statement. In case that the owner does not fully pay the maintenance fee and the fine, the Board of Directors, through the Managing Agent and the Administration Office, may order the disconnection of drinking water, electricity, gas, and telephone utility services, as well as of intercom, video and data, or any other similar service when these are supplied through general common elements of the Condominium. The Board of Directors is not required to receive partial payments. -----

----G. In case that the Board of Directors is compelled to go to court or to DACO through the President or Managing Agent, so that an owner or resident observes the standards of coexistence of these Rules and Regulations, the master deed, or the Puerto Rico Condominium Act, or for the collection of imposed fines, the owner will be required to pay a minimum of TWO THOUSAND DOLLARS (\$2,000.00) for attorney's fees and costs or any other amount that the Court may deem reasonable; provided that the Board of Directors prevails in the proceedings against the owner, whether before an administrative agency or a court with jurisdiction. If the owner prevails, the two thousand dollars (\$2,000.00) will be returned to the owner. -----

----H. Every violation must be addressed by the owner within the period established by the Board of Directors in the notice of intention to impose a fine; if the violation is not addressed or the fine is not challenged, an additional fine will be notified and imposed upon the expiration of the term conferred by the Board of Directors to correct the violation. Also, the Board of Directors might require the owner to pay an additional fee up to twenty percent (20%) of the total amount of the fine if further collection procedures are necessary by the Managing Agent and the administration office. -----

----I. The rules herein established are not restrictive but merely illustrative, thus, the Council of Owners, Board of Directors or the Managing Agent shall have the power to amend, notify and publish, from time to time, additional rules of administration and of peaceful coexistence, which may need to be adopted due to practices or circumstances that may arise after the approval of these Rules and

Regulations.

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ARTICLE SIX (VI) CHALLENGES OR COMPLAINTS  
FROM OWNERS

----A. The acts or omissions of the Board of Directors, the Managing Agent, as well as the agreements of the Council of Owners may be challenged if they are contrary to the Puerto Rico Condominium Act, the master deed and these Rules and Regulations; if they are seriously prejudicial to the interests of the community or an owner; if they are seriously prejudicial to an owner who has no legal obligation to sustain it and which were not foreseeable at the time of the purchase. -----

----B. Any owner who is affected by any act or omission of the Administrator or the Board of Directors may file a claim in writing in the Department of Consumers Affairs (DACO), within the thirty (30) days following the date on which the act or omission took place. DACO shall have primary and exclusive jurisdiction. -----

----C. If the affected owner was present when the agreement or decision was made, the thirty (30)-day period starts from the date on which the agreement or decision was made, and from the date of the notice of the agreement or decision if the affected owner was not present. -----

----D. Actions challenging agreements, acts or omissions by the Board of Directors, the Managing Agent, or the Council of Owners, involving violations of the provisions of the Puerto Rico Condominium Act, the master deed or these Rules and Regulations have a limitation period of two (2) years. Said period shall be counted from the date on which the act, omission or agreement was made if the owner was present, or from the date of the notice thereof if the owner was not present. -----

----E. Any owner who wishes to challenge an act or omission by the Board of Directors, the Managing Agent, or an agreement of the Council of Owners, shall provide proof that he/she has no outstanding debt with the Council of Owners and that a copy of the document whereby he/she acquired his/her apartment was delivered to the Board of Directors. If the challenge is to question an alleged debt on account of maintenance fees or fines based on the Puerto Rico Condominium Act, the master deed or these Rules and Regulations, the owner shall be exempt from meeting the no debt requirement. -----

ARTICLE SEVEN (VII)- PROPERTY INSURANCE

----A. By a majority vote, the Council of Owners, through the Board of Directors, must insure the condominium to cover the general common elements, council elements and limited elements, as well as other risks not related to the private property of owners, unless otherwise is provided by

any future amendment to the Condominium Act, as well as any other accessory building and existing equipment that is a part of the property for the common benefit of all owners. This insurance policy must protect the property against the risks of fire, hurricane, earthquake, explosion, flood and include a workers' compensation insurance policy, and shall provide coverage as a blanket policy. -----

----B. The condominium shall also have a public liability insurance policy to cover common areas. -----

----C. Apartment owners are bound to contribute proportionally to cover the cost of the insurance premium for said risk coverage. -----

----D. The Board of Directors, with the approval of the Council of Owners, shall obtain all necessary insurances, such as, but not limited to: State Insurance Fund Corporation to insure all the employees, workers and personnel who are engaged in works for the condominium. However, the Managing Agent shall be responsible for insuring his/her employees in case that services are subcontracted or contracted through the Managing Agent. -----

----E. An owner who has obtained a private insurance policy for his/her apartment, or who has paid off his/her mortgage shall not be exempt from paying his/her share in any common insurance acquired by the Council of Owners and the Board of Directors. -----

-----F. An interest penalty of ten percent (10%) will be added for any late payment of the common insurance policy made by an owner. -----

ARTICLE EIGHT (VIII) – APPLICATION OF INSURANCE  
INDEMNITY TO RECONSTRUCTION

----A. In case of disaster, the property's insurance indemnity shall be applied to rebuild the property. -----

----B. Reconstruction shall not be compulsory where it comprises the whole or more than three quarters (3/4) of the property. In such case, and unless otherwise agreed upon by two thirds (2/3) of all owners, the indemnity shall be delivered pro rata to the owners entitled thereto, and as for the remaining parts of the property, the applicable provisions of law shall apply. -----

ARTICLE NINE (IX)- ASSESSMENTS AND SPECIAL FEES

----A. Assessments or special fees may be approved at any given moment as agreed upon by the owners, according to the Puerto Rico Condominium Act, the master deed, and these Rules and Regulations, notwithstanding, payments of assessments or special fees past due over two (2) months or more, shall result in the disconnection of the services supplied through general common elements, including drinking water, electricity, gas, and telephone utility services, as well as of intercom or video and data, or any other similar service. -----

-----B. In case of deficit in the finances of the Council of Owners or on emergency situations, the Board of Directors, upon the approval and consent of the Council of Owners may agree to establish a special assessment in proportion to the amount to be contributed to their percentage of interest in the Condominium. When there is a surplus, the Council of Owners may decide to improve, or to expand services or facilities, or to keep the funds in the reserve account. -----

ARTICLE TEN (X)- RETURNED CHECKS

-----A. Any owner who issues a check without sufficient funds for the payment of maintenance fees, assessments, fines, or any other special fee, will be charged a penalty of thirty dollars (\$30.00), which shall be included with the maintenance fee of the following month, and which shall be fully paid. No partial payments will be accepted. -----

-----B. Any owner who issues checks without sufficient funds on three (3) consecutive occasions, or within a period of one (1) calendar year, will be required to pay any fees of the Condominium with certified check or money order. -----

ARTICLE ELEVEN (XI)- RESERVE FUND, DEFINITION OF IMPROVEMENTS AND PROCEDURES FOR THEIR APPROVAL

-----A. A Reserve Fund will be created to address the needs for maintenance of the Condominium that were not included in the annual budget. For this purpose, the annual budget shall include a reserve fund which shall not be less than five percent (5%) of the operating recurring expenses of the Condominium for that year. -----

-----B. Deposits shall be made to this Reserve Fund until it reaches an amount equal to two percent (2%) of the reconstruction value, at which time the Council of Owners shall decide whether said contributions shall continue to be deposited. The monies shall be kept in a special account, separate from the operations account, and shall only be used, in whole or in part, to carry out special or urgent works and improvement works, as provided below. When the fund balance is below the aforementioned minimum amount, monthly contributions shall resume until it once again reaches the minimum amount of two percent (2%) of the reconstruction value. -----

-----1. Special Works: Any maintenance works not projected in the annual budget requiring the imposition of an assessment for the execution thereof. The President and the Treasurer may make withdrawals from the reserve fund to cover this type of works, upon previous authorization of a majority of the Council of Owners duly convened at a special meeting to address this particular matter. -----

-----2. Urgent Works: Any work the execution of which cannot be postponed due to pressing security reasons, or because it is needed for the restoration of essential utility services, such as water and electricity supply

or repairs to the elevators. For these works, the President and the Treasurer may perform withdrawals from the reserve fund, upon previous authorization of a majority of the Council of Owners duly convened at a special meeting to address this specific matter. The meeting to authorize said disbursement shall be called within a period of twenty-four (24) hours. The notice may be sent by personal delivery, by sliding it under each door, or by any alternate means available, including fax, email, or text message, among others. -----

-----3. Improvement Works: Any permanent works other than maintenance works, aimed at increasing the value or productivity of the property in question, or to provide better services for the enjoyment of the apartments or common elements, may be carried out only upon the approval of two thirds (2/3) of all owners, that, in turn, hold two-thirds of the percentage of interest in the common areas. However, even when the funds for the improvement works are available in the Condominium budget or when there are insufficient funds to cover the costs, and the Council of Owners decides to impose a special assessment on all owners, a unanimous vote will be required for the approval. -----

-----Owners who have limited common elements may carry out, at their own expense, and with the consent of all benefited owners, such improvements or investments deemed convenient for such limited common elements; provided, that the safety or structural integrity of the building is not jeopardized or the enjoyment of other units by their owners is not hindered. -----

-----4. Works to Address a State of Emergency- Any operating expense necessary to address a “State of Emergency”, whether to prepare for addressing any situation resulting from an emergency. It shall be understood that a “State of Emergency” exists when it is thus declared by the government of Puerto Rico or by federal authorities. The President and the Treasurer may make withdrawals from the reserve fund to cover operating expenses during a “State of Emergency”, provided, that it has been previously authorized by a majority of the Council of Owners at a special meeting duly called to address this specific matter. The meeting to authorize the emergency disbursement shall be called and held within a period of twenty-four (24) hours. The notice may be sent by personal delivery, by sliding it under the door of the owner’s apartment or through any other alternate means available, including fax, email, or text message, among others. -----

ARTICLE TWELVE (XII) – AMENDMENT TO RULES AND REGULATIONS

-----A. The Council of Owners shall have the power to amend, alter or revoke these Rules and Regulations, from time to time, by the vote of two

thirds (2/3) of all owners who, in turn hold two thirds (2/3) of the percentage of interest in the common elements. -----

----B. When a meeting is called to amend the Rules and Regulations, and two thirds (2/3) of the owners who hold the percentage of interest in the common elements approve said agreement, those owners who were duly called to the meeting and did not attend shall be notified of the approved agreement in a reliable and detailed manner, and they will be granted a period of thirty (30) days from the date of notice to state their consent or discrepancy with the agreement reached. -----

----C. The grounds for opposing the amendments proposed shall not be arbitrary or based on the mere invocation of the property rights. Unsupported oppositions shall not be considered. The vote of those owners who fail to state their discrepancies in the manner herein provided and within the period granted to do so, will be deemed to be in favor of the proposed agreement. -----

----D. The modification shall be binding upon all owners from the time the affirmative vote of two thirds (2/3) of all owners is obtained, or after the thirty (30)-day period set forth in Sections 14 and 52 (c) of the Puerto Rico Condominium Act passed with no opposition of more than one third (1/3) of the owners. -----

----E. With respect to third parties, no modification may be operative until the date on which a public instrument wherein such amendment is embodied, is recorded in the Property Registry, and a certified copy thereof is appended to the master deed, and an entry of said Rules and Regulations modification is recorded specifically in the record of the parent tract. -----

ARTICLE THIRTEEN (XIV): CONSTRUCTION AND SEVERABILITY

----A. In addition to the provisions of the Puerto Rico Condominium Act, the master deed, and these Rules and Regulations, it is imperative that the Council of Owners and the Board of Directors observe and implement all the agreements adopted by the Council of Owners pursuant to the corresponding regulatory and legal requirements. -----

----B. These Rules and Regulations shall be available for review and consultation at the Administration Office. -----

----C. Every matter related to these Rules and Regulations may be address before the Department of Consumers Affairs or before any Court of First Instance with jurisdiction. -----

----D. These Rules and Regulations and any clause thereof shall be construed pursuant to the laws of the Commonwealth of Puerto Rico and the interpretative case law published by the Supreme Court of Puerto Rico.

----E. Should any article, section, provision or part of these Rules and Regulations be declared invalid by a court with jurisdiction, or by an

administrative forum with jurisdiction, any such decision or ruling shall not affect, impair, or invalidate the remainder of its provisions. -----  
-----This is the Regulation that will govern the owners and the Condominium Macor by the Sea. -----  
-----In Rincón, Puerto Rico, today, of the year two thousand twenty-two (2022).