

RESOLUTION 2024-xx
2024 Annual Meeting of the Council of Unit Owners of
Aquabella Homeowners Association, Inc.

Amendment and Restatement of Aquabella By-Laws to Apply Numerous Editorial
Corrections and Updates

The Council of Unit Owners, at its Annual Meeting on xx November, 2024, and pursuant to its responsibilities and authority under Article III of the Association's By-Laws,

considering

- a) that the By-Laws of Aquabella Homeowners Association, Inc., were originally adopted on 17 March, 2004;
- b) that the By-Laws were amended by action of the Council of Unit Owners on 15 November, 2008;
- c) that the By-Laws were amended again by the Council on 26 March, 2011;
- d) that the By-Laws are an extremely important document with respect to the proper governance of the Association and maintenance of the Aquabella community;

recognizing

- a) that until now, the By-Laws have been available only in a scanned, un-editable version of poor quality;
- b) that the By-Laws have not been restated to reflect the 2008 and 2011 amendments;
- c) that the By-Laws currently contain several hundred typographical and grammatical errors;
- d) that the By-Laws currently contain many sections of unclear, ambiguous, conflicting or obviously mis-worded language;
- e) that the By-Laws currently have numerous formatting errors such that, e.g., subsections cannot be clearly referenced due to duplication or lack of proper headings;
- f) that several sections of the By-Laws are no longer applicable, or no longer hold any effect, particularly with regard to the role of the Developer, who no longer has any ownership claim or authority with respect to voting rights;
- g) that the sponsors of this Resolution have attached hereto as Appendix A a "redlined" version of the By-Laws, clearly indicating all proposed changes;
- h) that the sponsors of this Resolution have attached hereto as Appendix B a clean copy of the proposed new By-Laws, incorporating all proposed changes;

resolves

to adopt the amended and restated text of the Association By-Laws as contained in Appendix B attached hereto, the sole purpose of which is to correct the issues identified in the *recognizing* section above;

instructs the Board of Directors

1 to ensure that all elements of this Resolution are implemented effectively, completely, and in a timely manner, in any case no later than 01 January, 2025;

2 to ensure that the Secretary-Treasurer of the Association maintains an electronic version of the amended and restated By-Laws;

instructs the paid manager

1 to promulgate to all Unit Owners the restated version of the By-Laws upon their adoption;

2 to cause the new, restated version of the By-Laws to be posted in the private section of the community's web page.

This Resolution is co-sponsored by the following Unit Owners:

Timothy Totten, Unit 18

APPENDIX A

~~EXHIBIT A~~

AQUABELLA HOMEOWNERS ASSOCIATION, INC.

BY-LAWS

As Amended and Restated by Action of the Council of Unit Owners on xx November, 2024

ARTICLE I - AQUABELLA COMMUNITY

Maranello, Inc., (hereinafter referred to as the "Developer") ~~developed~~ ~~is presently developing~~ and ~~constructed~~ ~~constructing~~ a project located in ~~"Candellero Abajo Ward"~~, in the Municipality of Humacao, Puerto Rico, in Palmas Del Mar community. Said project consists of one hundred thirty one (131) three-level row house type of residential villas, constructed in reinforced concrete block and other construction material ~~use for this type of construction~~. The project ~~also~~ includes common green areas, recreational facilities and community property, including but not limited to: streets, sidewalks ~~(s)~~ ~~(if any)~~, a swimming pool, a grand gazebo with terraces, the security guard house, a gated entrance, ~~the~~ visitors parking areas, ~~the~~ golf cart parking areas, and public lighting fixtures, pursuant to the plans and specifications approved by the Permits and Regulations Administration (hereinafter referred to as the "Project" or as "AQUABELLA COMMUNITY")

The Land upon ~~which~~ ~~which~~ the AQUABELLA COMMUNITY ~~COMMUNITY~~ ~~was~~ ~~is being~~ developed is subject ~~by itself~~ to a document titled "Restrictive Covenants and Conditions of Aquabella," pursuant to Deed number Thirty Six (36), executed ~~in~~ ~~on~~ San Juan, Puerto Rico, on March seventeen (17), two thousand four (2004) before Notary Public Sandra De L. Tous-Chevres (hereinafter referred to as the "Deed" or as the "Restrictive Covenants of the Project"). All capitalized terms not otherwise defined herein shall have the meaning given to such terms in the Restrictive Covenants of the Project.

In order to preserve the community, the property values and living environment for the convenience of the residents of AQUABELLA COMMUNITY, the Developer has incorporated under the laws of the Commonwealth of Puerto Rico a corporation known as "Aquabella Homeowners Association, Inc." (Aquabella Homeowners Association, Inc., together with the Family Dwelling Unit Owners, and the Developer shall be referred to, hereinafter as the "Association"), a Puerto Rico nonprofit corporation duly registered as such with the Department of State of Puerto Rico, to delegate the power and authority, to maintain, control, and administer certain common green areas, recreational facilities and community property as established in the Restrictive Covenants of the Project, so that it can provide the services indicated therein, and secure and enforce compliance with these covenants and restrictions, and assess and collect payment of all necessary fees and charges for the maintenance, administration and compliance of the same.

The Restrictive Covenants of the Project, among other things, established that each owner of a Family Dwelling Unit ~~(also referred to hereinafter as a "Unit")~~ of the AQUABELLA COMMUNITY, shall become a member of the Association, ~~and that the Developer shall be a member of the Association as long as it is the owner of any Family Dwelling Unit, or of any parcel within the Property, or any undeveloped property forming part of the AQUABELLA COMMUNITY, or any property to be dedicated as common areas or dedicated for use by an agency of the government of Puerto Rico.~~ Furthermore, ~~they~~ established that the members of the Association shall elect a governing board to oversee the efforts of the Association (hereinafter referred to as the "Board of Directors"), in the manner and/or the time periods provided in the by-laws or regulations which may from time to time be adopted by the Association. Accordingly, ~~the Developer being the only member of the Association herein and hereby establishes~~ the governing regulations for the Association (hereinafter referred to as the "Association By-Laws").

ARTICLE II - BY-LAWS APPLICABILITY

These Association By-Laws are adopted for the operation and management of the Association and the Project pursuant to the provisions of the abovementioned Deed. All present or future's Family Dwelling Unit Owners, tenants, future tenants, or their employees, or any other person that might use the Facilities of the Project in any manner, are subject to the regulations set forth in these Association By-Laws and in the Deed. The mere

acquisition or rental of any Unit or the mere act of occupancy of any Unit will signify that these Association By-Laws, and the provisions of the Restrictive Covenants of the Project, recorded or presented for recording at the Property Registry of Puerto Rico, Humacao Section, and the Charter of Incorporation of Palmas del Mar Homeowners Incorporated and its by-laws, filed with the State Department of the Commonwealth of Puerto Rico, as amended (hereinafter referred to collectively as the "Project Documents"), and any applicable recorded additions, are accepted and ratified and will be complied with.

ARTICLE III - COUNCIL OF UNIT OWNERS

Section 1- Council Responsibilities

All the Family Dwelling Units Owners (hereinafter also referred to as the "Unit Owners") will constitute the Council of Unit Owners (hereinafter also referred to as the "Council"), who will have the responsibility of administering the Project, approving the annual budget, establishing and collecting periodic assessments and ~~arranging for~~ ~~arranging for~~ the management of the Project. Except, as otherwise provided, decisions and resolutions of the Association will require approval by a majority of the Council.

Section 2- Place of Meetings

The meetings of the ~~Council Association~~ will be held at the Recreational Facilities of the Project or at such other place within Palmas del Mar Development convenient to the Unit Owners, as may be designated ~~by the Association~~ and expressed in the notices for said meetings.

Section 3- Annual Meetings

The ~~Council Association~~ will meet at least once a year ~~at 7:00 P.M. on the same day and month that the first~~ (1st) meeting of the Association is held ~~unless that date falls on a weekend day or holiday, when it will be held on the next business day.~~ At the annual meeting, the ~~Council Association~~ will (i) elect the President and the Secretary-Treasurer (hereinafter referred as the "Secretary") of the Association and three (3) other Unit Owners who, together with the President and Secretary, will constitute the Board of Directors of the Association; ~~and~~ (ii) ~~consider~~ ~~approve~~ the financial reports for the previous year; and (iii) ~~approve~~ the ~~proposed~~ budget for the coming year. The ~~Council Association~~ may also consider and ~~vote pass~~ upon any other matter as may be brought before ~~it~~ ~~them~~.

Section 4- Membership, Voting Rights & Majority

Notwithstanding the generality of the foregoing, each title holder or ~~Family Dwelling Unit Owner~~, shall become a member of the ~~Council Association~~.

~~Class A members- Are the Unit Owners (other than the Developer)~~ who hold title to any Family Dwelling Unit which is recorded as a separate property in the Registry shall be Class A members. Class A members shall be entitled to one vote per Family Dwelling Unit owned. The right to vote shall be forfeited by any member in arrears in his payments of maintenance or other assessed fees, as hereinafter set forth. Upon payment of any such fees in arrears, the member shall again be entitled to exercise his voting privileges.

When any property affording Class A membership to its Unit Owner is held by two or more persons or entities, as trustees, co-owners, tenants in common, partners, or in any other manner or form holding joint or common ownership, and if two or more persons or entities have the same proprietary interest in the same property, such Unit Owners shall be entitled to only one vote per Family Dwelling Unit thus owned or possessed and, unless the instrument which provided any such rights, appointed them, or which created title to the property, directs otherwise (such instrument or order shall be filed with the Association's Secretary prior to or concurrently with the exercise of such voting rights), such person's vote shall be recognized as follow~~ed~~:

- (1) If only one of such co-owners vote, in person or by proxy, his actions will be binding upon the other co-owners of such entity.

(2) If more than one of such co-owners desires to vote, in person or by proxy, the actions of the majority will be considered the owner's vote.

(3) If more than one of such co-owners desires to vote, in person or by proxy, but the vote on any particular issue is split equally, each co-owner shall be assigned a proportional share of the split vote.

(4) The provisions of this paragraph shall apply, as much as possible, in the granting of powers, waivers, consents or objections and to secure a quorum.

~~Class B member- Since the Developer shall be the only Class B member, it shall be entitled to the sum of all Class A votes plus one. The Class B membership shall cease when the Developer has completed the Project and the sale and delivery of all of the Family Dwelling Unit, and the Developer no longer owns any property within the AQUABELLA COMMUNITY, there are no longer any Class B members. or at an earlier date, at the Developer's sole option.~~

Voting Rights- The voting rights of any Unit Owner may not be transferred to a lessee, but said Unit Owner may vote by proxy, duly executed (in writing) and filed with the Association's Secretary prior to or concurrently with the exercise of such voting rights.

Majority- As used in these Association By-Laws, the term "majority of Unit Owners" will mean, except as otherwise provided by law, fifty one percent (51%) or more of Unit Owners.

Section 5- Special meetings

Special meetings of the Council may be called by the President or by a written request to the Secretary signed by at least twenty percent (20%) of the Unit Owners. In the event the meeting is requested by the Unit Owners, the meeting will be held no sooner than thirty (30) days and no later than forty-five (45) days after the request is given to the Secretary.

Section 6- Notice of meetings

Notice of meetings of the Council stating the date, time, place, and purposes will be given by the Secretary at the request of the person or persons authorized to call the meeting. The notice will be in writing to each Unit Owner and delivered to the Villa belonging to the Unit Owner or by certified mail, fax or e-mail to ~~any~~ other address as the Unit Owner may designate in writing. The notice will be sent not less than fifteen (15) days before an annual meeting and not less than twenty (20) days before a special meeting. Proof of the sending of the notices will be by the written statement of the Secretary. Notice of meetings may be waived before or after the meeting. The Council may also meet in the absence of notice if all Unit Owners are present and waive notice. The Secretary will also follow this procedure when any notice is required to be given to the Unit Owners.

A meeting of the Council will not be necessary to ~~vote~~ upon a proposal if all the Unit Owners with the right to vote ~~at the meeting~~, in writing, waive notice and consent to the proposed action.

Section 7- Quorum

A majority of the Unit Owners will constitute quorum at meetings of the Council. Except for any other instance where a different quorum requirement is provided for in the Deed, all acts approved by a majority of those present at a meeting will constitute the acts of the Council.

Section 8- Unanimity and Amendments

When all present at a meeting of the Council (after proper notice had been given) vote in favor of a proposal requiring unanimity among Unit Owners, the Secretary will notify those not present at the meeting of the action taken and the complete text of the approved proposal. The notice will also state that if, within thirty (30) days

from the date of the notice, no Unit Owner states in writing his opposition to the proposal, then the proposal will be deemed approved by unanimity. No action may be taken on the proposal until the expiration of the thirty (30) days unless unanimity is had before.

To amend the Association By-Laws ~~requires~~^{is required} two thirds (2/3) majority of the Unit Owners. In case a meeting is called and notice is properly sent to amend these Association By-Laws and less than one third (1/3) of the Unit Owners vote against ~~or in favor of the amendment(s)~~, but the required two thirds (2/3) majority has not ~~been obtained~~^{being obtain} because Unit Owners were absent, the Secretary will notify those not present at the meeting of the complete text of the amendment or amendments approved at the meeting. The notice will also state that if, within thirty (30) days from the date of the notice, a Unit Owner does not state in writing opposition to the amendment or amendments, his vote will be counted as for the amendment or amendments. The amendments will be deemed approved when the two thirds (2/3) majority is obtained.

Section 9- Proxies

Subject to the limitations of the Deed, the Unit Owners may vote by proxy at the Council meetings. Proxies will be dated and signed by the Unit Owner and filed by the proxy holder with the Secretary at any time before the meeting. Proxies may be granted for a period of no more than 90 days from the date of the proxy or until revoked, ~~whichever is sooner~~.

Section 10- Adjourned Meeting

If any meeting of the Council cannot be organized because a quorum has not attended, a new meeting will be called after proper notice by the Secretary. All the Unit Owners or residents present at this ~~new~~ meeting will constitute a quorum.

It will be proper for the Secretary to serve notice of both meetings at the same time and that the second (2nd) meeting be held no less than one (1) hour after the time specified for the first (1st) meeting.

Section 11- The Order of Business

The order of business at all annual meetings of the Council will be as follows:

- a. Roll call
- b. Proof of notice and waiver of notice (if any)
- c. Reading and approval of the minutes of the last meeting
- d. Report of officers
- e. Report of committees (if any)
- f. President names the ballot inspectors
- g. Election of officers
- h. Election of directors
- i. Approval of annual financial statements
- j. Approval of proposed budget
- k. Presentation, discussion and voting on proposals presented in the notice for the meeting
- l. Presentation, discussion and voting on proposals allowed at the meeting
- m. Unfinished business
- n. New business
- o. Adjournment

The order of business at all Special Meetings of the Council will include items (a) through (d) above, and thereafter, the agenda will consist of the items specified in the notice of the meeting.

Section 12- Minutes

All proceedings of the Council will be recorded in the minutes record. The minutes will contain the place, date, and time of the meeting, names of the Unit Owners present, specifying which are present in person and which by proxy, way in which notice for the meeting was given, purpose of the meeting, full text of the resolutions adopted, number of votes in favor or against each proposal, and the statement of any Unit Owner who may wish to explain his vote. The minutes will be signed by the President and the Secretary.

ARTICLE IV - BOARD OF DIRECTORS

Section 1- Number and Qualification

The affairs of the Association and/or AQUABELLA COMMUNITY will be managed by a Board of Directors (hereinafter referred to as the "Board") comprising five (5) persons: the President, the Secretary, and three (3) other directors elected by the Council, all of whom must be Unit Owners of the Project. Unit Owners who are more than thirty (30) days delinquent in the payment of their Common Expenses Share may not be elected or serve as directors. An officer or director who sells or conveys his Unit will be deemed to resign as director on the date of the sale or conveyance.

The Board may propose at the annual meeting of the Council, and the Council may approve, naming a Paid Manager (hereinafter also referred to as "Administrator") ~~paid manager~~ for AQUABELLA COMMUNITY. The ~~Administrator~~ ~~manager~~ will then assume those administrative tasks as the Board may direct.

Section 2- General Powers and Duties

The Board will have the powers and duties necessary for the administration of the affairs of the Restrictive Covenants of the Project, and may do all such acts and things that are not by law or by these Association By-Laws directed to be executed and done by the Council or individual Unit Owners.

The Board will have the following powers and duties:

- (a) Attend to everything related to the proper management, administration, supervision and functioning of the Restrictive Covenants of the Project, particularly those related to the Common Areas, ~~making and make~~ those timely and proper disclosures to Unit Owners as may be necessary. The Board or the manager, as the case may be, will hire those persons and independent contractors as may be necessary to carry out the work necessary for the maintenance of the Project;
- (b) Timely prepare and submit to the Council the annual budget fixing the Common Expenses Share;
- (c) Direct the financial affairs of AQUABELLA COMMUNITY, keeping adequate and detailed records of all income and expenses of the Project sorted by dates and specifying all costs of conservation and repair of the Common Areas. Said financial records, with their supporting invoices or receipts, will be available for inspection by the Unit Owners during those reasonable hours set by the Board and ~~made~~ ~~make~~ known to the Unit Owners;
- (d) Collect the Common Expenses Shares from the Unit Owners and make those other collections and payments as may be necessary; acknowledging receipt for collections and tendering payment ~~for valid expenses by check~~. In the case of delinquent Common Expenses Shares, charge the interest and penalties allowed by the Restrictive Covenants of the Project on the owed amounts and, in the case of judicial collection, collect the sums provided for in the Deed for costs and attorneys fees.
- (e) Open checking accounts as may be necessary in the name of the Council where ~~all~~ ~~it~~ income will be deposited. The obligations of the Council will be paid ~~by checks issued~~ against the monies deposited in these accounts and then only against a corresponding invoice. No checks will be made out to "cash" or to the bearer.

- (f) Submit to the Unit Owners, not less than fifteen (15) days before the annual meeting of the Council, the statement of all accounts showing, separately, all income of Common Expenses Shares as well as any other income the Project may have had, the breakdown of all expenses, including ~~payments made to the paid~~ the fee paid to the manager of the Project, the list of Common Expenses Shares and other receivables, and the balance in the checking accounts as well as in those reserve accounts that may have been established.
- (g) Supervise the conservation of the Project and provide for ordinary repairs. With regard to extraordinary repairs, it will take action as may be necessary or appropriate, ~~giving~~ immediately giving notice to the Council.
- (h) Maintain a record, by unit number, of the names, addresses, phone numbers (office, home, cellular, fax), ~~fax~~ and e-mail and ~~any other optional~~ their particulars of the Unit Owners, ~~listing all Unit Owners and tenants in chronological order.~~
- (i) Comply with and enforce compliance ~~withof~~ the provisions of the Deed, and these Association By-Laws.
- (j) Subject to ~~approval~~ revocation by the Council, adjust the Common Expenses Share.
- (k) Adopt rules and regulations, and disseminate them among Unit Owners, providing for:
 - (i) the safety and surveillance of the Project, including procedures for allowing visitors to enter the Project;
 - (ii) the use by Unit Owners of the Common Areas, including the imposition of fees for such use where necessary;
 - (iii) the regulation of rentals of the Unit.
- (l) Obtain insurance coverage for the Common Areas from a reputable, financially sound insurer against the risks of earthquake and ~~providing~~ extended coverage for their replacement value.
- (m) Obtain public liability coverage for the Project from a reputable, financially sound insurer.
- (n) Take all necessary measures for the reconstruction of the Common Areas after a casualty.

Section 3- Other Duties

In addition to the duties imposed by these Association By-Laws or by the resolutions of the Council, the Board will be responsible for the following:

- (a) Compliance with all of the terms and conditions of the Deed and enforcement of the same.
- (b) Collection of assessments from the Unit Owners.
- (c) Care, upkeep and surveillance of the Project.
- (d) Employment, dismissal, and control of the personnel necessary for the maintenance and operation of the Common Areas.
- (e) Preparation and delivery to the Unit Owners of an Annual Audit of the books and records of the Project, duly certified by an independent auditing firm.

Section 4- Election and Term of Office

~~E~~At the first (1st) annual meeting of the Council the term of office of the three (3) directors of the Board, as well as the President and the Secretary Treasurer will be fixed for one (1) year. At the expiration of the initial term of office of each director, ~~or~~ his successor, will be elected to serve the term the Council of Owner decides. The

President and the Secretary-Treasurer will hold office for one (1) year. All members of the Board will hold office until their successors have been elected.

Section 5- Vacancies & Removals

At any regular or special meeting of the Council duly called, any ~~member or or more of the~~ members of the Board may be removed with or without cause by a majority of Unit Owners, and a successor may then and there be elected to fill the vacancy thus created. Any member of the Board whose removal has been proposed to the Council will be given an opportunity to be heard at the meeting.

Vacancies in the Board may be filled as follows:

(i) Vacancies in the Board caused by reason other than the removal of a member of the Board by a vote of the Council will be filled by vote of the majority of the remaining members, even though they may constitute less than a quorum; and each person so elected will be a member of the Board until a successor is elected at the next meeting of the Council.

(ii) Vacancies due to the resignation of directors will be filled for the remainder of the term by the vote of the majority of the Board.

Section 6- Initial Meeting~~Organization Meetings~~

The Board will meet within ten (10) days after their election at such time and place as they will determine at the meeting during which they were elected. No further notice for the meeting will be necessary.

Section 7- Regular Meetings

Regular meetings of the Board will be held at such times and places as may be determined ~~from time to time~~ by the majority of the Board, but at least six (6) meetings will be held during the year. Notice of regular meetings of the Board will be given by the Secretary-Treasurer or other designated person, to each Board member, personally, by mail, telephone, ~~by fax or by~~ e-mail at least three (3) days prior to the day named for such meeting.

Section 8- Special Meetings

Special meetings of the Board may be called by the President or by the written request of two (2) directors. Meetings called at the request of directors must be held no sooner than seven (7) days and no later than fifteen (15) days after the request is received by the Secretary. The Secretary will notify the directors of the special meeting in the same manner as for regular meetings.

Section 9- Waiver of Notice

Before or at any meeting of the Board, any Board member may, in writing, waive ~~the requirement of notice of such~~ notice. Attendance by directors at meetings of the Board will ~~constitute~~ be a waiver of the required notice. ~~Directors may also waive notice to meetings in writing.~~ If all the directors are present at any meeting of the Board, no notice will be required, and any business may be transacted at such meeting.

Section 10- Board Quorum

The presence of a majority of directors will constitute quorum.

Section 11- Adjourned Meetings

At any adjourned meeting of the Board, any business that might have been transacted at the meeting originally called may be transacted in the continuation without further notice.

Section 12- Determining Quorum

The joinder of a director in the action taken at a meeting of the Board by signing and expressing his concurrence with said action in the minutes of the meeting will constitute the presence of the director at the meeting for purposes of determining quorum.

Section 13- Absence of the President

The President of the Council **normally shall** preside at meetings of the Board. In his absence, the directors present may designate one of their members to preside.

Section 14- Compensation

Neither Officers **nor** directors **shall will-not** be entitled to any compensation for their services.

Section 15- Representation by the Board of Directors

The Board **shallwill** select from time to time (if necessary) ~~a~~ legal counsel to represent AQUABELLA COMMUNITY, the Association, the Council and/or the Unit Owners in any suit, litigation, ~~or~~ claim, administrative or judicial ~~action~~ of any other nature, on behalf or against said Unit Owners, the Council, AQUABELLA COMMUNITY and/or the Association.

The Board, **directly or** through ~~his~~ legal counsel, may appear in court, or before any agency or board or before a Notary Public or to accept any legal or notarial document by appearing as the Board of Directors of the Association. The President **may directlywill** represent the Board ~~in those instances~~ in accordance with the authorization given by a majority of the Board, and the Secretary is authorized to certify said authority and the identity of the President in a document that is duly notarized.

In any and all kinds of suits, complaints, litigation, causes of action ~~or~~ and claims of any other nature, on behalf or against Aquabella Homeowners Association, the Unit Owners, the Council and the Board will appear in the aforesaid manner except where the representation is granted to the ~~Administrator. paid manager Management Agent.~~

No owner, nor the Council nor any person with interest of any kind or nature in the Project, or its legal entity, nor any person, ~~may~~ can challenge the legal appearance that may be made by the Board through its President in the aforesaid manner. The adoption of these Association By-Laws will be understood to mean the irrevocable grant of authority to the Board to act through its President in the manner hereinbefore set forth.

ARTICLECHAPTER V - OFFICERS

Section 1- Designation

The officers of the Council will be the President and the Secretary-Treasurer.

Section 2- Removal of Officer

The officers may be removed by the affirmative vote of the majority of the Council. The Council will, during the same meeting, select a new officer to serve the remainder of the term of the removed officer.

Section 3- President

The President will be the chief executive officer of the Council. He will preside at all meetings of the Council as well as of the Board. He will have all the general powers and duties as are vested in the office of President of the Council, including the power to appoint committees from among other Unit Owners to assist in the conduct of the affairs of the Council. He will be responsible for keeping full and accurate financial records.

Section 4- Secretary-Treasurer

The Secretary-Treasurer of the Council will also be a member of the Board and will have the following duties:

- a. keep minutes of all meetings of the Council and the Board, signing them together with the President;
- b. have charge of such books and papers as the Board may direct;
- c. have responsibility for the Association funds and securities and for keeping an accurate account of all receipts and disbursements in books belonging to the Association;
- d. be responsible for the deposit of all monies and other valuable effects in the name, and to the credit of the Association in such depositories as may from time to time be designed by the Board;
- e. prepare and serve notice to those concerned of all meetings;
- f. keep the record of Unit Owners accurate and up to date;
- g. issue certificates of resolutions and actions taken by the Council and the Board;
- h. serve, for purposes of the provisions of ~~the Act and Article 3, Section 7 of~~ these Association By-Laws, notice to all Unit Owners absent from Council meetings of the actions taken at those meetings;
- i. have available for inspection by the Unit Owners those records he must keep; and
- j. all those other functions as are logically within the competence of the position of Secretary-Treasurer.

ARTICLE VI - LIABILITY AND INDEMNIFICATION OF OFFICERS AND DIRECTORS

Section 1- Indemnification

The Council will indemnify and hold harmless the officers and directors against any and all expenses, including attorneys fees, reasonably incurred by, or imposed upon, any officer or director in connection with any suit or proceeding (including the settlement of a claim if approved by the Board) to which the officer or director may have been made a party ~~of~~ by reason of being or having been an officer or director of the Association. The officers and directors will not be liable to the Council ~~or the Council~~ for any mistakes of ~~a~~ judgment or ~~any~~ negligent act, except for their own willful misconduct or bad faith. The officers or directors will not be liable to the Council or the Association for any contract or commitment made by them in good faith on behalf of the Association, except as they may be affected as Unit Owners. Any right to indemnification provided ~~s~~ for herein will not be exclusive of any other right ~~to~~ ~~to~~ which the officer or director may be entitled ~~to~~.

Section 2- Good Faith

The officers and directors will exercise their duties and obligations in good faith and with a view to the best interests of the Association.

Section 3- Conflicts of Interest

No contract or other transaction between the Association and one or more officers or directors or any corporation, firm or association ~~(including the Developer)~~ in which any officer or director has substantial

interest will be deemed either void or voidable because the interested officer or director is present and votes at the meeting of the Board during which the contract or transaction is authorized or approved if any of the following conditions exist:

- a. the interest of the officer or director in the contract or transaction is fully disclosed to all ~~the~~ other officers and directors and noted in the minutes of the meeting; or
- b. the interest is disclosed or known to the Unit Owners and the contract or transaction is approved at a meeting of the Council by a majority of those present; or
- c. the contract or transaction is commercially reasonable to the Association at the time it is authorized or approved.

ARTICLE~~CHAPTER~~ VII - COMMON EXPENSES AND ASSESSMENTS

Section 1- The Common Expenses Fund

The Council ~~of Owners~~ will, from time to time, fix and determine the sum or sums necessary and adequate for the continued operation and maintenance of the Association, including its operating expenses, the payment for any items of betterment, and establishment of appropriate reserve, or contingency funds as the Council will deem proper. The sum or sums will include, among other ~~things~~, insurance expenses, legal and accounting fees, management fees, operating expenses of the Association, maintenance, repairs and replacements (but only as ~~to~~ the Common Areas except for emergency repairs or replacements deemed necessary to protect the Common Areas and property chargeable to the individual unit concerned), charges for utilities and water used in common for the benefit of the Association, cleaning and janitor service of the Common Areas, any expenses and liabilities incurred by the Association in connection with the indemnification of officers and members of the Board herein, and in and about the enforcement of its rights or duties against the Unit Owners or others, and the creation of reasonable contingency or reserve requirements.

The ~~aforementioned~~~~afore-mention~~ assessment charges will not include assessment for utilities separately charged and metered to each Unit and consumed therein. Nor will said assessment include any charges for alterations, repairs, painting or maintenance within the interior ~~of~~ any Unit, but only for such alterations, repairs, maintenance, and the like, to the Common Areas of the Project or those private areas deemed common for maintenance purposes (unless as aforesaid, repairs or replacements which would ordinarily be the obligation of the Unit Owner must ~~be made~~~~he-made~~ for the ~~protection~~~~projection~~ of the Common Areas of the Project and same have not been made by the Unit Owner concerned).

The Common Expenses Fund will be deposited in those ~~F~~federally insured depository institutions designated by the Board and will be withdrawn only by checks or withdrawal orders signed by any two (2) members of the Board. All obligations of the Association ~~must~~~~will~~ be approved by the Board.

The Board will determine the fiscal year for the Association's finances.

The Board will, from time to time, review the operating budget for the Association in order to determine the Common Expenses Shares necessary for the insurance, adequate maintenance, and repair of the Common Areas as well as to establish and nourish reserve funds for recurring major expenses such as painting the Common Areas. The Board will recommend to the Council the approval of the necessary modifications.

If the financial institutions holding notes guaranteed by the mortgages of the Units require that the portion of the property insurance premiums allocated to the Units be paid to the institutions together with the mortgage payments, then the premium allocation paid to the institution will be deducted from the Common Expense Share to be paid by the Unit Owners.

Monthly payments of Common Expenses Shares are due and payable in advance, without requirement or notice, on the first (1st) day of each month.

Section 2- Special Assessments

~~The After the initial determination of the annual cash requirements to be made, the following~~ determination of annual cash requirements thereof to be made shall will be made on a calendar year basis by the Council at the annual meeting, unless the time thereof will be changed by resolution of the Council.

Special assessments, should they be required, will be levied by the Board and paid in the same manner as heretofore provided for regular assessments. Special assessments may be imposed for the purposes established in the Restrictive Covenants of the Project, and can be of two (2) kinds: (i) those chargeable to all Unit Owners to meet shortages and/or emergencies; and (ii) those assessed against one Unit Owner alone (requiring unanimous vote of the Board) to accomplish repairs or maintenance for which he is responsible which are for expenses incurred in repairing any part of the common elements damaged through the fault of said Unit Owner.

Special assessments approved by the Council for extraordinary expenses, improvements or operational deficits will be due when and as the Council may determine. The Secretary-Treasurer will serve notice to all Unit Owners of the assessment and the time and other particulars regarding when payment is due.

Section 3- Penalties

The Board will collect from those Unit Owners who are delinquent in the payment of their Common Expenses Shares, special assessments, or fines, the interest and penalties allowed by the Restrictive Covenants of the Project and/or the Association By-Laws. If recourse to the Court is necessary to effect the collection of delinquent accounts, the Unit Owners will pay, in addition to principal, interest, and penalties, an amount equal to 10% of principal or \$500.00, whichever is greater, for costs and attorney's fees. In its efforts to collect all amounts due it, the Council may employ all judicial resources it has available for this purpose.

Section 4- Restrictions

Any Unit Owners delinquent in payment of their Common Expenses Shares may not use the recreational facilities of the Project.

Any Unit owners owning three (3) consecutive Common Eexpenses Sshares and/or any other assessments duly approved by the Council of Co-owners will be subject to the disconnection of the water utility service. PriorPrevious to the disconnection, the Administrator will send the subject Unit Owners an arrears the notification of the disconnection signed by the President of the Board by certified mail with returnacknowledgement receipt requested. After fifteen days, the Board may resortrecourse to the disconnection. Copy A copy of the letter to such Unit Ownerunit owners will be sent to the Palmas Del Mar Utilities (PDMU) Executive Director by certified mail with returnacknowledgement receipt requested. After the fifteen days, the Board will officially notify PDMU of the disconnection request making reference to this section of amendment to the By-Laws.

Any Unit Owner who in such circumstances reconnects such service without authorization will pay a penalty equivalent totthe three times the arrears.

Section 5- Liability for Expenses and Assessments in the Event of Foreclosure ~~[No title]~~

Where the mortgagee of a unit obtains title to such Unit as a result of a foreclosure of a mortgage, such acquirer of title, his successors and assigns, shall be liable for the share of unpaid common expenses for the previous six months.

ARTICLE VIII - OBLIGATIONS OF UNIT OWNERS

Section 1- Required Payments

All the Unit Owners are obligated to timely pay their Common Eexpenses Sshares, assessments and fines approved by the Council.

Any Unit Owner who is delinquent three (3) months or more in the payment of their Common Expenses Shares, special assessments or fines will be deprived in the subsequent months of their use of the Common Recreational Areas and may be removed from said areas by the security guard and/or lifeguard on duty for the Association.

Section 2- Air Conditioners

Unit Owners may place air conditioners only in those areas designated for air conditioners. All the Unit Owners must maintain their air conditioning units in proper perfect condition. The units must not produce excessive noise, water leakage, create rust stains or cause other stains.

In case of new installations, interior or exterior walls or structural columns must not be drilled or altered in any form.

Section 3- Combustible Materials

No Unit Owner or resident will permit the presence, use, disposal, storage or release of any hazardous substances on the Unit(s) of the Project. Furthermore, the Unit Owner shall not do, nor allow anyone else to do, anything negatively affecting the Unit. Notwithstanding the above, the presence, use, or storage on the Unit of small quantities of hazardous substances that are generally recognized to be appropriate to normal residential uses and maintenance of the same are allowed.

Section 4- Main Vehicular Entrance

The Project will have vehicular control access. Said vehicular control access will comprise an electric gated entrance with 24-hour guard service, intercom and exclusive access lane for the Unit Family Dwelling Units Owners. Notwithstanding the above, no Unit Owner, resident, occupant or visitor will be allowed all the Family Dwelling Units Owners, residents, occupants and visitors will not achieve access to the Project through the use of their automobile horn; they must use the "tele-entry"; and properly identify himself/herself, to obtain access to the Project. The Unit Family Dwelling Units Owners and the future Unit Family Dwelling Units Owners, their successors and their assigns will be responsible to pay the Association as part of the aforementioned monthly fees any and all the expenses related to the maintenance and control of said vehicular control access. All the Unit Family Dwelling Units Owners and any future Unit Family Dwelling Units Owners agree to said vehicular control access and to any and all obligations arising or that may arise from the same.

Section 5- External Changes to the Unit

Unit Owners may not modify, or make improvements to the exterior walls and balconies of their Unit; enclose the balconies of their Unit; place grilles or bars on the their Unit; or install outside television or other antenna without the consent of the Board.

No Unit Owner shall be allowed to change the exterior color scheme of his Family Dwelling Unit other than that to one shown in Exhibit F of the Restrictive Covenants of the Project, color scheme approved in connection with the development of AQUABELLA COMMUNITY, except as approved in writing by the ARB. The Unit Owners may not modify the colors of the exterior walls, windows, railings, shutters or any other exterior or Common Areas of the Project for three (3) years from date the certified copy of the Deed is presented in the Registry of Puerto Rico, unless the Board of Directors determine otherwise.

LPG or natural gas tanks for stoves and ovens may not be placed in any Common Area, whether limited for the use of a Unit or not, nor may any tank be placed in any place where it may be seen from the outside.

Section 6- Leases

No Unit shall be utilized solely for residential purposes, provided that no Unit will be leased or rented for periods shorter than one (1) month. Violation of this provision will cause the

imposition of a fine of \$500.00 for each instance a Unit Ownerunit-owner rents or leases its unit for a period shorter than the one herein provided.¶

~~A Unit Owner will not make non-structural modifications within his Unit without previously notifying the Board in writing through the management agent, if any, or through its President if no management agent is employed. The Board will have the obligation to answer within ninety (90) days, and failure to do so within the stipulated time will mean that there is no objection to the proposed modification or alteration.~~

Section 7- Structural Modifications

No Unit Owner shall make structural modifications within his Unit without prior notification to the Board in writing through the Administrator, if any, or through its President if no Administrator is employed. The Board will have the obligation to answer within ninety (90) days, and failure to do so within the stipulated time will mean that there is no objection to the proposed modification or alteration.

Section 8- Liability

The Unit Owner will be liable for his tenant's violations of his obligations under the Project Documents.

Section 9- AssociationMaintenance Employees

~~No~~All Unit Owners, residents ~~and~~ occupants may~~cannot~~ use the services of any employee of the Association for personal or private matters during working hours of the employee.

Section 10- Maintenance and Repair

Unit Owners will maintain their Unit(s) in good repair, clean and free of those conditions that may attract pests. Unit Owners will also make those repairs and perform ~~suchthat~~ maintenance in their Unit(s) which, if not done, would ~~negatively~~ affect, totally or partially, the Project or other Unit Owners.

The Board ~~shallof Directors of the Association will~~ notify a Unit Owner in writing, via certified mail, returned receipt requested, if its Unit needs to be painted. The Board will allow ~~theto~~ Unit Owner up to six (6) months from the notification date to comply with the request ~~within the time limit~~. The Board ~~shallof Directors will~~ impose a fine of \$50.00 for each month the Unit remains without being painted after the six (6) months period.

Unit Owners ~~shallwill~~ undertake, at ~~theirs~~ sole cost and expense, any and all maintenance, repair, cleaning, security and/or improvements to ~~theiris~~ or her residential Unit, without impeding or jeopardizing any use and enjoyment to which other Unit Owners are entitled. Each Unit Owner ~~shallwill~~ be responsible for the proper disposal of any material and/or debris used or created as a result of any maintenance, repair, cleaning and/or improvement work undertaken in connection with, or within his or her residential Unit.

Some UnitsUnit(s) of the Project have a joining wall ("Pared(es) Medianera(s)"). ~~The~~ Unit Owners ~~shall~~ not install ~~can not open~~ windows or make holes ~~inis~~ said joining wall(s) (31 DPR Sec 1772). ~~The~~ Unit Owners and ~~theiris~~ neighbors are jointly responsible for the maintenance of the aforementioned joining wall(s).

All ~~the~~ repairs of internal installations of ~~anythe~~ Unit such as water, light, power, sewage, telephones, air conditioners, sanitary installations, doors, windows, lamps, and all other accessories belonging to the Unit will be at the ~~expense~~expenses of the Unit Owner.

A Unit Owner will reimburse the Association for any expenditure incurred in repairing or replacing any Common Area damaged through his fault or by any person or company working on their Unit and premises.

Section 11- Maintenance and Upkeepupkeep of Back Yardyards Areas

~~Units~~The Unit(s) have for the exclusive use of ~~their its Family Dwelling~~ Unit Owner, a back yard area enclosed by trees. Common elements such as drainage pipes, electrical conduits, and plumbing facilities may run under these areas. Unit Owners may not plant trees, build structures, enclose, or otherwise alter these areas. Maintenance and upkeep of those back yard areas will be ~~the responsibility for the account~~ of the Unit Owners.

Section 12- Notification

Whenever a Unit Owner lets his Unit, he will furnish a copy of the lease and inform the Board the name, address, and that other information as the Board may reasonably require about the tenant.

Section 13- Pets

The maintenance, keeping, breeding, boarding and/or raising of animals, livestock, or poultry of any kind, regardless of the number is prohibited within any part of the Project Property, including the Unit(s), and the Common Areas of the Project, except that this will not prohibit the keeping of orderly domestic house pets such as dogs, and cats (or other domestic animal commonly considered as house pets) and provided that they are not kept or maintained for commercial purposes ~~and or~~ for the breeding, and that they are properly kept and maintained without generating offensive noises, odor, and in safe and sanitary conditions. Pets will not be permitted upon the Common Areas of the Project, except in areas ~~designated~~designates by the Board. All domestic pets ~~shall will~~ be accompanied by an adult and kept under the direct control of their owners at all times, and will not be allowed to run free or unleashed at any time, or to otherwise interfere with the rights, comfort ~~and~~ convenience of any of the Unit Owners or occupants. Any inconvenience, damage or unpleasantness caused by such pets will be the sole responsibility of the respective owners thereof. Unit Owners will clean up after their pet if it defecates or urinates in a Common Area or in the premises of another Unit. Any person who keeps or maintains any pet upon any portion of the Property or the Project Property will be ~~deemed~~deem to have indemnified and agreed to hold the Project, and each of the Unit Owners free and harmless from any loss, claim or liability of any kind or character whatsoever arising by reason of keeping or maintaining such pet within the Property or the Project. The Board will have the right to order any person whose pet is a nuisance to remove such pet from the Common Areas or from the Project.

Section 14- SignageRight of Entry

~~Construction crews and equipment engaged by the Developer to construct the Unit(s) and/or the Common Areas and other parts of the Project will be permitted.¶~~

~~Sales personnel engaged by the Developer as well as prospective clients will also be allowed to enter the Project as well as inspect and use its facilities. In pursuing its selling efforts, the Developer may post signs and advertisements on the Common Areas to that effect. No Unit Owner may Owner other than the Developer may place signs or advertisements on the Common Areas except for notices no larger than 3" x 5" on the Communal Bulletin Board (if any).~~

Section 15- Use of UnitsUnit(s)

~~Units shallUnit(s) will only be used for residential purposes. No industry, businesses, trade, occupation or profession of any kind, commercial, religious, educational, or otherwise, designed for profit, altruism, exploitation, or otherwise, shall will be conducted, maintained, or permitted in the UnitsUnit(s). Notwithstanding this restriction, while the Developer is in the process of developing, construction, and selling the Project it may use its unsold Unit(s) as model Unit(s), sales offices, storage rooms, or any other use necessary or convenient for purposes of the development, construction, and sale of the Project. It may keep sales office hours between 7:00 A.M. and 10:00 P.M.~~

Section 16- Emergency Plant, Water Cistern and Storm Shutters

~~(No) Unit Owners may permanently install a power generator for their Unit. Power generators brought in for emergencies must be enclosed in sound shields and may not produce noise in excess of that noise allowed by the applicable governmental regulations.~~

Water cisterns may be installed in the Unit, but not in the Common Areas.

The storm shutters and awnings for all doors and windows of every Unit must be exactly the same design, material and color of those now installed in the other Units. ~~If there are not any storm shutters or awnings installed in the Unit(s) of the Project, the Unit Owner will use the one's shown in Exhibit B and Exhibit C of the Restrictive Covenants of the Project.~~

Section 17- Rules of Conducts

- (a) ~~The Unit Owners and/or residents shall will~~ exercise extreme care to avoid unnecessary noise or the use of musical instruments, radio, television, home theater, and amplifiers that may disturb other residents.
- (b) No ~~Unit Owner~~ ~~Owner-Unit~~, resident or lessee ~~shall will~~:
- 1) Post any advertisement or posters of any kind in ~~or in~~ the Project;
 - 2) Hang garments, rugs, or similar objects from the windows or from any of the facades of their Unit(s);
 - 3) Dust rugs, mops or similar objects by beating on the exterior part of their Unit(s);
 - 4) Throw garbage or trash outside the disposal installations provided for such purpose in the Project;
 - 5) Act so as to interfere unreasonably with the peace and enjoyment of the residents of the others Unit(s) in the Project.

Section 18- Use of the Common Areas

Subsection 1- Use Restrictions

- a) Unit Owners may not place or cause to be placed in the lobbies, vestibules, stairways, and other Common Areas of the Project furniture, package, garbage, bicycles, or objects of any kind. Such areas will be used for no other purpose than for normal common use and transit through them.
- b) Nothing will be done or kept in any part of the Property, in the Unit(s) or in the Common Areas of the Project which will increase the rate of insurance applicable for residential use of the Project without the prior written consent of the Board. No Unit Owner will permit anything to be done or kept in the Common Areas, Facilities, or in the Unit(s) which will result in the cancellation of any insurance, or which would be in violation of any law or the Project Documents.

The Unit Owner or Tenant must be present in Aquabella premises whenever visitors enjoy the common areas, if not, said person may be removed from the Common Areas. The violation of this ~~provision~~ ~~disposition~~ will cause the imposition of a fine of \$100.00 for each occurrence. This fine will also apply to a Unit Owner who is in arrears in its payments to the Association and ~~thus ineligible to~~ enjoy the

communal recreational areas of the Project, including the swimming pools.

- c) No immoral, improper, offensive, or unlawful use will be made of the Property, the Project, the Unit(s), or the Common Areas of the Project, or any part thereof, and all valid laws, zoning ordinances and regulations of all the governmental agencies having jurisdiction thereof will be observed. All laws, orders, rules, regulations, or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, the Project, the Unit(s), and/or the Common Areas of the Project will be complied with, by and at the sole expense of the Unit Owner or the ~~Council~~~~Counsel of Owners~~, whichever will have the obligation to comply with such laws, rules or requirements.
- d) No fuel tanks or similar storage receptacles may be installed or located ~~with~~~~in~~ any portion of the Property or the Project.
- e) No trees may be removed without the written approval of ~~the Developer~~~~and when applicable,~~ the Board.
- f) No industry, businesses, trade, occupation or profession of any kind, commercial, religious, educational, or otherwise, designed for profit, altruism, exploitation, or otherwise, will be conducted, maintained, or permitted on any part of the Common Areas, Facilities, the Project, the Unit(s) or any part thereof.
- g) No garbage cans, refuse, or litter will be placed in any Common Area except in the garbage storage areas.
- h) No laundry will be hung out to dry in any Common Area nor ~~shall~~ any curtains, rugs, mops, or any other object be shaken from any window, door, or balcony or exposed in any of those places.
- i) Cooking, eating or drinking in Common Areas is prohibited except, as pertinent to regulations of the pool and gazebo areas.
- j) The use of barbecues, gas or electronic stoves or any type of cooking equipment is strictly prohibited in the Common Areas, except in the case the Council ~~of Owners~~~~decides~~ otherwise.

Subsection 2- Deliveries

Furniture, equipment, plants, or any other deliveries will only be permitted from Monday to Saturday from 8:00 a.m. to 6:00 p.m. No deliveries are permitted on Sundays or Holidays ~~except. Except from such~~~~schedule are~~ small packages such as flowers, gift baskets and documents, ~~as well as . Also~~ small size deliveries by UPS, Federal Express, U.S. Mail, etc.

Subsection 3- Employees

The employees working in the Unit(s) will not gather or lounge in the Common Areas.

Subsection 4- Parking Spaces, Golf Carts and Motorized Vehicles

The parking spaces will only be used to park automobiles. No trailers, boats, tractors, vans, wagons, or trucks that exceed three quarter tons will be parked within the Project except when loading or unloading.

No junk vehicles or other vehicles on which current registration plates are not displayed, except electric golf carts, will be kept upon any part of the Common Areas ~~and/or~~ in the Project, nor will the repair or maintenance of automobiles or other vehicles be carried out on any part of the Common Areas of the Project, except emergency repairs, ~~which that~~ may be carried out in the parking areas.

No commercial vehicles, trucks, trailers, recreational vehicles (except electrical golf carts), boats, jet skis, or similar vehicles will be kept upon any portion of the Common Areas or the Project.

With the exception of lawn care and maintenance equipment used by persons or entities responsible for the maintenance of the Project and/or the back yards of the ~~Units~~Unit(s), no other motorized vehicles may be used or maintained on the yards or sidewalks of the Common Areas or the Project, and no ~~unlicensed~~unlicensed motorized vehicles other than golf carts are allowed on the Project or any portion thereof.

No golf carts are allowed on sidewalks, green areas, or backyards. Golf carts may only transit over streets, and may only be parked in the assigned spaces.

Parking spaces must be used ~~according to their designation~~accordingly to its destiny and/or classification. All vehicles ~~shall should~~ be parked in ~~their~~its assigned space and without obstructing the parking space of another Unit Owner.

Subsection 5- Visitor Parking

~~Visitor parking~~These spaces ~~must not~~cannot be used by any resident on a permanent or semi-permanent basis. These visitor parking spaces are only to be used briefly for visitors and personnel servicing the Project. Immediately upon parking, they should register with the guard (if any) on duty.

The guard (if any) is not authorized to keep keys or to move any vehicle. If necessary, he will call the corresponding Unit ~~Owner~~ and request that the vehicle be removed.

Subsection 6- Violations

Any Unit Owner ~~shall will~~ be liable to the Association for any and all violations to ~~Subsections 4 and 5 of this Section~~Article – Use of the Common Areas, including its tenants, employees, and invitees. Said violation will cause the imposition of a fine of \$75.00 for each occurrence.

Section 19- Parties or Social Activities in the Common Areas

THE FOLLOWING RULES ARE NECESSARY FOR THE PROPER USE OF THE COMMON AREAS AND FOR PROTECTING THE PEACE AND RIGHTS OF OTHER OCCUPANTS OF THIS PROJECT.

1- No activities are permitted on Sundays. Sundays are for the exclusive use of the ~~Unit~~Unit Owners and residents.

2- Only the Unit Owner or residents can use the Project facilities for activities.

3- A formal written request must be delivered to the Administration Office indicating the date, number of guests, the guest list and time schedule. The guest list will be given to the guard (if any) in order to check the guests with the list.

4- The Unit Owner(s) or resident(s) having the activity will provide, at their expense, a security guard (if any) during the total time of the activity. If the activity is held in the pool the resident or residents will also provide a licensed lifeguard during the total time of the activity.

Section 20- Use of the Grand Gazebo

The Unit Owners or residents may use and enjoy the grand gazebo throughout the year but under the rules and norms that the Administrator or the Board of Directors may adopt. During the use of the grand gazebo, the Unit Owners or residents will be responsible for any damages incurred. The Project will repair any damages and the Unit Owners or residents will reimburse all the expenses.

At the end of the activity, the grand gazebo must be returned to the same clean and orderly condition as it was before the activity.

~~The~~Notwithstanding the generality, the use of the grand gazebo for parties or social activities is permitted under the rules and norms specified in the Parties and Social Activities in the Common Area Section 19 of this Article.

The use of glass, as in but not limited to plates, cups, bottles, glasses etc., in the club house is forbidden.

The use of radios, sound equipment, television, etc., in the club house is forbidden if in any way it disturbs other users of the grand gazebo or nearby areas, ~~at that time~~ or annoys the Unit Owners.

Section 21- Use of the Swimming Pools

ALL UNIT OWNERS, RESIDENTS, FAMILY AND GUESTS ARE PROPERLY NOTIFIED THAT THEY ARE USING THE POOL(S) AT THEIR TOTAL RISK AND THAT THE PROJECT WILL ASSUME NO RESPONSIBILITY WHATSOEVER FOR ANY FORM OF ACCIDENT OR DAMAGES THAT MAY OCCUR FROM THE USE OF THE POOL(S).

- 1- The Unit Owners or residents may use and enjoy the swimming pool(s) throughout the year but under the rules and norms that the Administrator or the Board of Directors may adopt.
- 2- The Unit Owners or residents may bring guests to the swimming pool. Guests may not exceed seven (7). More than seven (7) guests will be considered an activity, and the Administrator must be notified.
- 3- The use of glass, as in but not limited to plates, cups, bottles, glasses etc., in the pool is forbidden.
- 4- The use of radios, sound equipment, television, etc., in the grand gazebo is forbidden if in any way disturbs other users of the pool(s) or nearby areas, ~~at that time~~ or annoys the Unit Owners.
- 5- Running, rough physical games, ball games, etc., are prohibited in the pool area.
- 6- All waste should be placed in the available containers. Violators may be ~~finned~~ ~~the~~ fined for the cost of ~~the~~ cleaning or repairing of any damages incurred.
- 7- In all the activities held in the pool, a licensed lifeguard should be available.
- 8- The users of the pool will have the proper attire and maintain the correct attitude while using the facilities. The plants, lights, fountains and/or waterfalls (if any), etc., will be respected and violators will be fined for ~~the~~ necessary repairs, cleaning or replacement.

- 9- ~~Minors~~The minors must be with their parents, tutors, or with a responsible adult at all times while using the Common Areas of the Project. The adults, parents, or tutors will be totally responsible for minors using the pools or any other Common Areas of the Project, and ~~the Unit Owners~~ and/or residents will be responsible for their guests.
- 10- Floaters and inflatable utensils ~~may~~can be used at your own risk and provided they do not bother other users. They should be removed from the area after their use, and the Association ~~shall~~and/or ~~the Developer will~~ not be responsible for the use of these items or the loss of the same.
- 11- Use of items with a motor ~~in, either electrical, battery or~~any other form is prohibited.
- 12- Any Unit Owner and/or its tenants, employees or any other person that might use the Facilities of the Project, specifically the swimming pools, may be removed from said premises by the security guard of the Association because of the infringement of these regulations, including the use of the pool beyond the scheduled hours.
- 13- Instructions for using the pool:
- a) Once returning from the beach, the showers provided in the area must be used to remove the sand from your body before entering the pool.
 - b) The bathroom in the area should be used ~~d~~for all physical necessities. Urinating in the pool(s) is forbidden.
 - c) No consumption of food or beverages is allowed in the pool.

ARTICLE IX - COMPLIANCE AND DEFAULT

Section 1- In the event of a violation (other than non-payment of Common Expenses Shares) by a Unit Owner of his obligation under the Project Documents, the Board will notify the infringing Unit Owner in writing of the violation. If the violation is not cured within thirty (30) days after the notice is sent, the Board may pursue those legal remedies as it may have available to enforce the Unit Owner's compliance with the Project Documents.

Section 2- The Board will undertake those actions as may be necessary or convenient for the common good of the Project and/or the Association. In the event a Unit Owner complains to the Board of a violation by another and the Board fails to take action to enforce compliance, the complaining Unit Owner will then be entitled to pursue the remedies as may have been available to the Board to enforce compliance.

Section 3- Failure by the Board or by any Unit Owner to enforce compliance of obligations under the Project Documents will never be interpreted as a waiver of the right to seek compliance in case of future violations.

Section 4- All rights and remedies granted by the Project Documents to the Council, the Board, ~~or~~ the Unit Owners, will be non-exclusive and the exercise of any one or more remedies will not constitute an election of remedies or a waiver of those not exercised.

ARTICLE X - TRANSFER OF ADMINISTRATION

~~As The Developer will assume the Interim Administration of the Association, and will paid from its own monies whichever is necessary to cover the maintenance and upkeep of the Project. By the purchase of any Unit of the Project the purchaser(s) accept(s) that all the Family Dwelling Units Owners of the Project shall have the obligation to constitute a Council of Unit Owners and to accept the permanent administration and governance of the Project upon the Developer election. The Developer may choose to transfer such administration and governance to~~

~~the Unit Owners after the Project has been completed, after the sale and delivery of all of the Family Dwelling Unit, when the Developer no longer owns any property within the AQUABELLA COMMUNITY, or at an earlier date, at the Developer's sole option, subject to the terms and conditions establish in the Restrictive Covenants of the Project, and notice to the Family Dwelling Units Owners of the date of the meeting for the constitution of the Council of Unit Owners and for the transfer of such administration and governance.¶~~

~~The~~ Administration of the Project and the Property ~~is now fully will be~~ vested in the Council and the Board in accordance with the provisions of the Deed, this Association By-Laws and the Project Documents.

ARTICLE XI - AMENDMENTS AND COMPLIANCE WITH DEED

These Association By-Laws may be amended by the Council in a duly constituted meeting held for such purpose, by the vote of at least the two thirds (2/3) of the Unit Owners. The amendments will take effect on compliance with the provisions of the laws and the Project Documents regarding the recording of the amendments in the Registry of the Property.¶

COMPLIANCE

These Association By-Laws are intended to comply with the requirements of the Restrictive Covenants of the Project, and any amended ~~version~~ of the same (if any). In case any of these Association By-Laws conflict with the provisions of said Deed, it is hereby agreed and accepted that the provisions of the Deed, will control.

APPENDIX B

AQUABELLA HOMEOWNERS ASSOCIATION, INC.

BY-LAWS

As Amended and Restated by Action of the Council of Unit Owners on xx November, 2024

ARTICLE I - AQUABELLA COMMUNITY

Maranello, Inc., (hereinafter referred to as the "Developer") developed and constructed a project located in Candelero Abajo Ward, in the Municipality of Humacao, Puerto Rico, in Palmas Del Mar community. Said project consists of one hundred thirty one (131) three-level row house type of residential villas, constructed in reinforced concrete block and other construction material. The project includes common green areas, recreational facilities and community property, including but not limited to streets, sidewalks, a swimming pool, a grand gazebo with terraces, the security guard house, a gated entrance, visitors parking areas, golf cart parking areas, and public lighting fixtures, pursuant to the plans and specifications approved by the Permits and Regulations Administration (hereinafter referred to as the "Project" or as "AQUABELLA COMMUNITY")

The Land upon which the AQUABELLA COMMUNITY was developed is subject to a document titled "Restrictive Covenants and Conditions of Aquabella," pursuant to Deed number Thirty Six (36), executed in San Juan, Puerto Rico, on March seventeen (17), two thousand four (2004) before Notary Public Sandra De L. Tous-Chevres (hereinafter referred to as the "Deed" or as the "Restrictive Covenants of the Project"). All capitalized terms not otherwise defined herein shall have the meaning given to such terms in the Restrictive Covenants of the Project.

In order to preserve the community, the property values and living environment for the convenience of the residents of AQUABELLA COMMUNITY, the Developer has incorporated under the laws of the Commonwealth of Puerto Rico a corporation known as "Aquabella Homeowners Association, Inc." (Aquabella Homeowners Association, Inc., together with the Family Dwelling Unit Owners, and the Developer shall be referred to, hereinafter as the "Association"), a Puerto Rico nonprofit corporation duly registered as such with the Department of State of Puerto Rico, to delegate the power and authority, to maintain, control, and administer certain common green areas, recreational facilities and community property as established in the Restrictive Covenants of the Project, so that it can provide the services indicated therein, and secure and enforce compliance with these covenants and restrictions, and assess and collect payment of all necessary fees and charges for the maintenance, administration and compliance of the same.

The Restrictive Covenants of the Project, among other things, established that each owner of a Family Dwelling Unit (also referred to hereinafter as a "Unit") of the AQUABELLA COMMUNITY, shall become a member of the Association. Furthermore, they established that the members of the Association shall elect a governing board to oversee the efforts of the Association (hereinafter referred to as the "Board of Directors"), in the manner and/or the time periods provided in the by-laws or regulations which may from time to time be adopted by the Association. Accordingly, the Association herein and hereby establishes the governing regulations for the Association (hereinafter referred to as the "Association By-Laws").

ARTICLE II - BY-LAWS APPLICABILITY

These Association By-Laws are adopted for the operation and management of the Association and the Project pursuant to the provisions of the abovementioned Deed. All present or future Family Dwelling Unit Owners, tenants, future tenants, or their employees, or any other person that might use the Facilities of the Project in any manner, are subject to the regulations set forth in these Association By-Laws and in the Deed. The mere acquisition or rental of any Unit or the mere act of occupancy of any Unit will signify that these Association By-Laws, and the provisions of the Restrictive Covenants of the Project, recorded or presented for recording at the Property Registry of Puerto Rico, Humacao Section, and the Charter of Incorporation of Palmas del Mar Homeowners Incorporated and its by-laws, filed with the State Department of the Commonwealth of Puerto Rico, as amended (hereinafter referred to collectively as the "Project Documents"), and any applicable recorded additions, are accepted and ratified and will be complied with.

ARTICLE III - COUNCIL OF UNIT OWNERS

Section 1- Council Responsibilities

All the Family Dwelling Unit Owners (hereinafter also referred to as the "Unit Owners") will constitute the Council of Unit Owners (hereinafter also referred to as the "Council"), who will have the responsibility of administering the Project, approving the annual budget, establishing and collecting periodic assessments and arranging for the management of the Project. Except as otherwise provided, decisions and resolutions of the Association will require approval by a majority of the Council.

Section 2- Place of Meetings

The meetings of the Council will be held at the Recreational Facilities of the Project or at such other place within Palmas del Mar Development convenient to the Unit Owners, as may be designated and expressed in the notices for said meetings.

Section 3- Annual Meetings

The Council will meet at least once a year. At the annual meeting, the Council will (i) elect the President and the Secretary-Treasurer (hereinafter referred as the "Secretary") of the Association and three (3) other Unit Owners who, together with the President and Secretary, will constitute the Board of Directors of the Association; (ii) consider the financial reports for the previous year; and (iii) approve the budget for the coming year. The Council may also consider and vote upon any other matter as may be brought before it.

Section 4- Membership, Voting Rights & Majority

Notwithstanding the generality of the foregoing, each title holder or Unit Owner, shall become a member of the Council.

Class A members- Unit Owners who hold title to any Family Dwelling Unit which is recorded as a separate property in the Registry shall be Class A members. Class A members shall be entitled to one vote per Family Dwelling Unit owned. The right to vote shall be forfeited by any member in arrears in his payments of maintenance or other assessed fees, as hereinafter set forth. Upon payment of any such fees in arrears, the member shall again be entitled to exercise his voting privileges.

When any property affording Class A membership to its Unit Owner is held by two or more persons or entities, as trustees, co-owners, tenants in common, partners, or in any other manner or form holding joint or common ownership, and if two or more persons or entities have the same proprietary interest in the same property, such Unit Owners shall be entitled to only one vote per Family Dwelling Unit thus owned or possessed and, unless the instrument which provided any such rights, appointed them, or which created title to the property, directs otherwise (such instrument or order shall be filed with the Association's Secretary prior to or concurrently with the exercise of such voting rights), such person's vote shall be recognized as follows:

- (1) If only one of such co-owners vote, in person or by proxy, his actions will be binding upon the other co-owners of such entity.
- (2) If more than one of such co-owners desires to vote, in person or by proxy, the actions of the majority will be considered the owner's vote.
- (3) If more that one of such co-owners desires to vote, in person or by proxy, but the vote on any particular issue is split equally, each co-owner shall be assigned a proportional share of the split vote.
- (4) The provisions of this paragraph shall apply, as much as possible, in the granting of powers, waivers, consents or objections and to secure a quorum.

Class B member- Since the Developer no longer owns any property within the AQUABELLA COMMUNITY, there are no longer any Class B members.

Voting Rights- The voting rights of any Unit Owner may not be transferred to a lessee, but said Unit Owner may vote by proxy, duly executed (in writing) and filed with the Association's Secretary prior to or concurrently with the exercise of such voting rights.

Majority- As used in these Association By-Laws, the term "majority of Unit Owners" will mean, except as otherwise provided by law, fifty one percent (51%) or more of Unit Owners.

Section 5- Special meetings

Special meetings of the Council may be called by the President or by a written request to the Secretary signed by at least twenty percent (20%) of the Unit Owners. In the event the meeting is requested by the Unit Owners, the meeting will be held no sooner than thirty (30) days and no later than forty-five (45) days after the request is given to the Secretary.

Section 6- Notice of meetings

Notice of meetings of the Council stating the date, time, place, and purposes will be given by the Secretary at the request of the person or persons authorized to call the meeting. The notice will be in writing to each Unit Owner and delivered to the Villa belonging to the Unit Owner or by certified mail, fax or e-mail to any other address as the Unit Owner may designate in writing. The notice will be sent not less than fifteen (15) days before an annual meeting and not less than twenty (20) days before a special meeting. Proof of the sending of the notices will be by the written statement of the Secretary. Notice of meetings may be waived before or after the meeting. The Council may also meet in the absence of notice if all Unit Owners are present and waive notice. The Secretary will also follow this procedure when any notice is required to be given to the Unit Owners.

A meeting of the Council will not be necessary to vote upon a proposal if all the Unit Owners with the right to vote, in writing, waive notice and consent to the proposed action.

Section 7- Quorum

A majority of the Unit Owners will constitute quorum at meetings of the Council. Except for any other instance where a different quorum requirement is provided for in the Deed, all acts approved by a majority of those present at a meeting will constitute the acts of the Council.

Section 8- Unanimity and Amendments

When all present at a meeting of the Council (after proper notice had been given) vote in favor of a proposal requiring unanimity among Unit Owners, the Secretary will notify those not present at the meeting of the action taken and the complete text of the approved proposal. The notice will also state that if, within thirty (30) days from the date of the notice, no Unit Owner states in writing his opposition to the proposal, then the proposal will be deemed approved by unanimity. No action may be taken on the proposal until the expiration of the thirty (30) days unless unanimity is had before.

To amend the Association By-Laws requires two thirds (2/3) majority of the Unit Owners. In case a meeting is called and notice is properly sent to amend these Association By-Laws and less than one third (1/3) of the Unit Owners vote against, but the required two thirds (2/3) majority has not been obtained because Unit Owners were absent, the Secretary will notify those not present at the meeting of the complete text of the amendment or amendments approved at the meeting. The notice will also state that if, within thirty (30) days from the date of the notice, a Unit Owner does not state in writing opposition to the amendment or amendments, his vote will be counted as for the amendment or amendments. The amendments will be deemed approved when the two thirds (2/3) majority is obtained.

Section 9- Proxies

Subject to the limitations of the Deed, the Unit Owners may vote by proxy at the Council meetings. Proxies will be dated and signed by the Unit Owner and filed by the proxy holder with the Secretary at any time before the meeting. Proxies may be granted for a period of no more than 90 days from the date of the proxy or until revoked, whichever is sooner.

Section 10- Adjourned Meeting

If any meeting of the Council cannot be organized because a quorum has not attended, a new meeting will be called after proper notice by the Secretary. All the Unit Owners or residents present at this new meeting will constitute a quorum.

It will be proper for the Secretary to serve notice of both meetings at the same time and that the second (2nd) meeting be held no less than one (1) hour after the time specified for the first (1st) meeting.

Section 11- The Order of Business

The order of business at all annual meetings of the Council will be as follows:

- a. Roll call
- b. Proof of notice and waiver of notice (if any)
- c. Reading and approval of the minutes of the last meeting
- d. Report of officers
- e. Report of committees (if any)
- f. President names the ballot inspectors
- g. Election of officers
- h. Election of directors
- i. Approval of annual financial statements
- j. Approval of proposed budget
- k. Presentation, discussion and voting on proposals presented in the notice for the meeting
- l. Presentation, discussion and voting on proposals allowed at the meeting
- m. Unfinished business
- n. New business
- o. Adjournment

The order of business at all Special Meetings of the Council will include items (a) through (d) above, and thereafter, the agenda will consist of the items specified in the notice of the meeting.

Section 12- Minutes

All proceedings of the Council will be recorded in the minutes record. The minutes will contain the place, date, and time of the meeting, names of the Unit Owners present, specifying which are present in person and which by proxy, way in which notice for the meeting was given, purpose of the meeting, full text of the resolutions adopted, number of votes in favor or against each proposal, and the statement of any Unit Owner who may wish to explain his vote. The minutes will be signed by the President and the Secretary.

ARTICLE IV - BOARD OF DIRECTORS

Section 1- Number and Qualification

The affairs of the Association and/or AQUABELLA COMMUNITY will be managed by a Board of Directors (hereinafter referred to as the "Board") comprising five (5) persons: the President, the Secretary, and three (3) other directors elected by the Council, all of whom must be Unit Owners of the Project. Unit Owners who are more than thirty (30) days delinquent in the payment of their Common Expenses Share may not be elected or serve

as directors. An officer or director who sells or conveys his Unit will be deemed to resign as director on the date of the sale or conveyance.

The Board may propose at the annual meeting of the Council, and the Council may approve, naming a Paid Manager (hereinafter also referred to as "Administrator") for AQUABELLA COMMUNITY. The Administrator will then assume those administrative tasks as the Board may direct.

Section 2- General Powers and Duties

The Board will have the powers and duties necessary for the administration of the affairs of the Restrictive Covenants of the Project, and may do all such acts and things that are not by law or by these Association By-Laws directed to be executed and done by the Council or individual Unit Owners.

The Board will have the following powers and duties:

- (a) Attend to everything related to the proper management, administration, supervision and functioning of the Restrictive Covenants of the Project, particularly those related to the Common Areas, making those timely and proper disclosures to Unit Owners as may be necessary. The Board or the manager, as the case may be, will hire those persons and independent contractors as may be necessary to carry out the work necessary for the maintenance of the Project;
- (b) Timely prepare and submit to the Council the annual budget fixing the Common Expenses Share;
- (c) Direct the financial affairs of AQUABELLA COMMUNITY, keeping adequate and detailed records of all income and expenses of the Project sorted by dates and specifying all costs of conservation and repair of the Common Areas. Said financial records, with their supporting invoices or receipts, will be available for inspection by the Unit Owners during those reasonable hours set by the Board and made known to the Unit Owners;
- (d) Collect the Common Expenses Shares from the Unit Owners and make those other collections and payments as may be necessary; acknowledging receipt for collections and tendering payment for valid expenses. In the case of delinquent Common Expenses Shares, charge the interest and penalties allowed by the Restrictive Covenants of the Project on the owed amounts and, in the case of judicial collection, collect the sums provided for in the Deed for costs and attorneys fees.
- (e) Open checking accounts as may be necessary in the name of the Council where all income will be deposited. The obligations of the Council will be paid against the monies deposited in these accounts and then only against a corresponding invoice. No checks will be made out to "cash" or to the bearer.
- (f) Submit to the Unit Owners, not less than fifteen (15) days before the annual meeting of the Council, the statement of all accounts showing, separately, all income of Common Expenses Shares as well as any other income the Project may have had, the breakdown of all expenses, including payments made to the paid manager of the Project, the list of Common Expenses Shares and other receivables, and the balance in the checking accounts as well as in those reserve accounts that may have been established.
- (g) Supervise the conservation of the Project and provide for ordinary repairs. With regard to extraordinary repairs, it will take action as may be necessary or appropriate, immediately giving notice to the Council.
- (h) Maintain a record, by unit number, of the names, addresses, phone numbers (office, home, cellular, fax), and e-mail and any other optional particulars of the Unit Owners.
- (i) Comply with and enforce compliance with the provisions of the Deed, and these Association By-Laws.

- (j) Subject to approval by the Council, adjust the Common Expenses Share.
- (k) Adopt rules and regulations, and disseminate them among Unit Owners, providing for:
 - (i) the safety and surveillance of the Project, including procedures for allowing visitors to enter the Project;
 - (ii) the use by Unit Owners of the Common Areas, including the imposition of fees for such use where necessary;
 - (iii) the regulation of rentals of the Unit.
- (l) Obtain insurance coverage for the Common Areas from a reputable, financially sound insurer against the risks of earthquake and providing extended coverage for their replacement value.
- (m) Obtain public liability coverage for the Project from a reputable, financially sound insurer.
- (n) Take all necessary measures for the reconstruction of the Common Areas after a casualty.

Section 3- Other Duties

In addition to the duties imposed by these Association By-Laws or by the resolutions of the Council, the Board will be responsible for the following:

- (a) Compliance with all of the terms and conditions of the Deed and enforcement of the same.
- (b) Collection of assessments from the Unit Owners.
- (c) Care, upkeep and surveillance of the Project.
- (d) Employment, dismissal, and control of the personnel necessary for the maintenance and operation of the Common Areas.
- (e) Preparation and delivery to the Unit Owners of an Annual Audit of the books and records of the Project, duly certified by an independent auditing firm.

Section 4- Election and Term of Office

Each director, or his successor, will be elected to serve the term the Council decides. The President and the Secretary-Treasurer will hold office for one (1) year. All members of the Board will hold office until their successors have been elected.

Section 5- Vacancies & Removals

At any regular or special meeting of the Council duly called, any member or members of the Board may be removed with or without cause by a majority of Unit Owners, and a successor may then and there be elected to fill the vacancy thus created. Any member of the Board whose removal has been proposed to the Council will be given an opportunity to be heard at the meeting.

Vacancies in the Board may be filled as follows:

- (i) Vacancies in the Board caused by reason other than the removal of a member of the Board by a vote of the Council will be filled by vote of the majority of the remaining members, even though they may constitute less than a quorum; and each person so elected will be a member of the Board until a successor is elected at the next meeting of the Council.
- (ii) Vacancies due to the resignation of directors will be filled for the remainder of the term by the vote of the majority of the Board.

Section 6- Initial Meeting

The Board will meet within ten (10) days after their election at such time and place as they will determine at the meeting during which they were elected. No further notice for the meeting will be necessary.

Section 7- Regular Meetings

Regular meetings of the Board will be held at such time and place as may be determined by the majority of the Board, but at least six (6) meetings will be held during the year. Notice of regular meetings of the Board will be given by the Secretary-Treasurer or other designated person, to each Board member, personally, by mail, telephone, fax or e-mail at least three (3) days prior to the day named for such meeting.

Section 8- Special Meetings

Special meetings of the Board may be called by the President or by the written request of two (2) directors. Meetings called at the request of directors must be held no sooner than seven (7) days and no later than fifteen (15) days after the request is received by the Secretary. The Secretary will notify the directors of the special meeting in the same manner as for regular meetings.

Section 9- Waiver of Notice

Before or at any meeting of the Board, any Board member may, in writing, waive the requirement of notice. Attendance by directors at meetings of the Board will constitute a waiver of the required notice. If all the directors are present at any meeting of the Board, no notice will be required, and any business may be transacted at such meeting.

Section 10- Board Quorum

The presence of a majority of directors will constitute quorum.

Section 11- Adjourned Meetings

At any adjourned meeting of the Board, any business that might have been transacted at the meeting originally called may be transacted in the continuation without further notice.

Section 12- Determining Quorum

The joinder of a director in the action taken at a meeting of the Board by signing and expressing his concurrence with said action in the minutes of the meeting will constitute the presence of the director at the meeting for purposes of determining quorum.

Section 13- Absence of the President

The President of the Council normally shall preside at meetings of the Board. In his absence, the directors present may designate one of their members to preside.

Section 14- Compensation

Neither officers nor directors shall be entitled to any compensation for their services.

Section 15- Representation by the Board of Directors

The Board shall select from time to time (if necessary) legal counsel to represent AQUABELLA COMMUNITY, the Association, the Council and/or the Unit Owners in any suit, litigation, claim, administrative or

judicial action of any other nature, on behalf or against said Unit Owners, the Council, AQUABELLA COMMUNITY and/or the Association.

The Board, directly or through legal counsel, may appear in court, or before any agency or board or before a Notary Public or to accept any legal or notarial document by appearing as the Board of Directors of the Association. The President may directly represent the Board in accordance with the authorization given by a majority of the Board, and the Secretary is authorized to certify said authority and the identity of the President in a document that is duly notarized.

In any and all kinds of suits, complaints, litigation, causes of action or claims of any other nature, on behalf or against Aquabella Homeowners Association, the Unit Owners, the Council and the Board will appear in the aforesaid manner except where the representation is granted to the Administrator..

No owner, nor the Council nor any person with interest of any kind or nature in the Project, or its legal entity, nor any person, may challenge the legal appearance that may be made by the Board through its President in the aforesaid manner. The adoption of these Association By-Laws will be understood to mean the irrevocable grant of authority to the Board to act through its President in the manner hereinbefore set forth.

ARTICLE V - OFFICERS

Section 1- Designation

The officers of the Council will be the President and the Secretary-Treasurer.

Section 2- Removal of Officer

The officers may be removed by the affirmative vote of the majority of the Council. The Council will, during the same meeting, select a new officer to serve the remainder of the term of the removed officer.

Section 3- President

The President will be the chief executive officer of the Council. He will preside at all meetings of the Council as well as of the Board. He will have all the general powers and duties as are vested in the office of President of the Council, including the power to appoint committees from among other Unit Owners to assist in the conduct of the affairs of the Council. He will be responsible for keeping full and accurate financial records.

Section 4- Secretary-Treasurer

The Secretary-Treasurer of the Council will also be a member of the Board and will have the following duties:

- a. keep minutes of all meetings of the Council and the Board, signing them together with the President;
- b. have charge of such books and papers as the Board may direct;
- c. have responsibility for the Association funds and securities and for keeping an accurate account of all receipts and disbursements in books belonging to the Association;
- d. be responsible for the deposit of all monies and other valuable effects in the name, and to the credit of the Association in such depositories as may from time to time be designed by the Board;
- e. prepare and serve notice to those concerned of all meetings;
- f. keep the record of Unit Owners accurate and up to date;

- g. issue certificates of resolutions and actions taken by the Council and the Board;
- h. serve, for purposes of the provisions of these Association By-Laws, notice to all Unit Owners absent from Council meetings of the actions taken at those meetings;
- i. have available for inspection by the Unit Owners those records he must keep; and
- j. all those other functions as are logically within the competence of the position of Secretary-Treasurer.

ARTICLE VI - LIABILITY AND INDEMNIFICATION OF OFFICERS AND DIRECTORS

Section 1- Indemnification

The Council will indemnify and hold harmless the officers and directors against any and all expenses, including attorneys fees, reasonably incurred by, or imposed upon, any officer or director in connection with any suit or proceeding (including the settlement of a claim if approved by the Board) to which the officer or director may have been made a party by reason of being or having been an officer or director of the Association. The officers and directors will not be liable to the Council for any mistakes of judgment or any negligent act, except for their own willful misconduct or bad faith. The officers or directors will not be liable to the Council or the Association for any contract or commitment made by them in good faith on behalf of the Association, except as they may be affected as Unit Owners. Any right to indemnification provided for herein will not be exclusive of any other right to which the officer or director may be entitled.

Section 2- Good Faith

The officers and directors will exercise their duties and obligations in good faith and with a view to the best interests of the Association.

Section 3- Conflicts of Interest

No contract or other transaction between the Association and one or more officers or directors or any corporation, firm or association in which any officer or director has substantial interest will be deemed either void or voidable because the interested officer or director is present and votes at the meeting of the Board during which the contract or transaction is authorized or approved if any of the following conditions exist:

- a. the interest of the officer or director in the contract or transaction is fully disclosed to all other officers and directors and noted in the minutes of the meeting; or
- b. the interest is disclosed or known to the Unit Owners and the contract or transaction is approved at a meeting of the Council by a majority of those present; or
- c. the contract or transaction is commercially reasonable to the Association at the time it is authorized or approved.

ARTICLE VII - COMMON EXPENSES AND ASSESSMENTS

Section 1- The Common Expenses Fund

The Council will, from time to time, fix and determine the sum or sums necessary and adequate for the continued operation and maintenance of the Association, including its operating expenses, the payment for any items of betterment, and establishment of appropriate reserve, or contingency funds as the Council will deem proper. The sum or sums will include, among other things, insurance expenses, legal and accounting fees, management fees, operating expenses of the Association, maintenance, repairs and replacements (but only as to the Common Areas

except for emergency repairs or replacements deemed necessary to protect the Common Areas and property chargeable to the individual unit concerned), charges for utilities and water used in common for the benefit of the Association, cleaning and janitor service of the Common Areas, any expenses and liabilities incurred by the Association in connection with the indemnification of officers and members of the Board herein, and in and about the enforcement of its rights or duties against the Unit Owners or others, and the creation of reasonable contingency or reserve requirements.

The aforementioned assessment charges will not include assessment for utilities separately charged and metered to each Unit and consumed therein. Nor will said assessment include any charges for alterations, repairs, painting or maintenance within the interior of any Unit, but only for such alterations, repairs, maintenance, and the like, to the Common Areas of the Project or those private areas deemed common for maintenance purposes (unless as aforesaid, repairs or replacements which would ordinarily be the obligation of the Unit Owner must be made for the protection of the Common Areas of the Project and same have not been made by the Unit Owner concerned).

The Common Expenses Fund will be deposited in those Federally insured depository institutions designated by the Board and will be withdrawn only by checks or withdrawal orders signed by any two (2) members of the Board. All obligations of the Association must be approved by the Board.

The Board will determine the fiscal year for the Association's finances.

The Board will, from time to time, review the operating budget for the Association in order to determine the Common Expenses Shares necessary for the insurance, adequate maintenance, and repair of the Common Areas as well as to establish and nourish reserve funds for recurring major expenses such as painting the Common Areas. The Board will recommend to the Council the approval of the necessary modifications.

If the financial institutions holding notes guaranteed by the mortgages of the Units require that the portion of the property insurance premiums allocated to the Units be paid to the institutions together with the mortgage payments, then the premium allocation paid to the institution will be deducted from the Common Expense Share to be paid by the Unit Owners.

Monthly payments of Common Expenses Shares are due and payable in advance, without requirement or notice, on the first (1st) day of each month.

Section 2- Special Assessments

The determination of annual cash requirements shall be made on a calendar year basis by the Council at the annual meeting, unless the time thereof will be changed by resolution of the Council.

Special assessments, should they be required, will be levied by the Board and paid in the same manner as heretofore provided for regular assessments. Special assessments may be imposed for the purposes established in the Restrictive Covenants of the Project, and can be of two (2) kinds: (i) those chargeable to all Unit Owners to meet shortages and/or emergencies; and (ii) those assessed against one Unit Owner alone (requiring unanimous vote of the Board) to accomplish repairs or maintenance for which he is responsible which are for expenses incurred in repairing any part of the common elements damaged through the fault of said Unit Owner.

Special assessments approved by the Council for extraordinary expenses, improvements or operational deficits will be due when and as the Council may determine. The Secretary-Treasurer will serve notice to all Unit Owners of the assessment and the time and other particulars regarding when payment is due.

Section 3- Penalties

The Board will collect from those Unit Owners who are delinquent in the payment of their Common Expenses Shares, special assessments, or fines, the interest and penalties allowed by the Restrictive Covenants of the Project and/or the Association By-Laws. If recourse to the Court is necessary to effect the collection of delinquent accounts, the Unit Owners will pay, in addition to principal, interest, and penalties, an amount equal to 10% of

principal or \$500.00, whichever is greater, for costs and attorney's fees. In its efforts to collect all amounts due it, the Council may employ all judicial resources it has available for this purpose.

Section 4- Restrictions

Any Unit Owner delinquent in payment of their Common Expenses Shares may not use the recreational facilities of the Project.

Any Unit owner owing three (3) consecutive Common Expenses Shares and/or any other assessments duly approved by the Council will be subject to disconnection of the water utility service. Prior to the disconnection, the Administrator will send the subject Unit Owner a notification of the disconnection signed by the President of the Board by certified mail with return receipt requested. A copy of the letter to such Unit Owner will be sent to the Palmas Del Mar Utilities (PDMU) Executive Director by certified mail with return receipt requested. After fifteen days, the Board will officially notify PDMU of the disconnection request making reference to this section of the By-Laws.

Any Unit Owner who in such circumstances reconnects such service without authorization will pay a penalty equivalent to three times the arrears.

Section 5- Liability for Expenses and Assessments in the Event of Foreclosure

Where the mortgagee of a unit obtains title to such Unit as a result of a foreclosure of a mortgage, such acquirer of title, his successors and assigns, shall be liable for the share of unpaid common expenses for the previous six months.

ARTICLE VIII - OBLIGATIONS OF UNIT OWNERS

Section 1- Required Payments

All Unit Owners are obligated to timely pay their Common Expenses Shares, assessments and fines approved by the Council.

Any Unit Owner who is delinquent three (3) months or more in the payment of their Common Expenses Shares, special assessments or fines will be deprived in the subsequent months of their use of the Common Recreational Areas and may be removed from said areas by the security guard and/or lifeguard on duty for the Association.

Section 2- Air Conditioners

Unit Owners may place air conditioners only in those areas designated for air conditioners. All Unit Owners must maintain their air conditioning units in proper condition. The units must not produce excessive noise, water leakage, rust stains or other stains.

In case of new installations, interior or exterior walls or structural columns must not be drilled or altered in any form.

Section 3- Combustible Materials

No Unit Owner or resident will permit the presence, use, disposal, storage or release or any hazardous substances on the Unit(s) of the Project. Furthermore, the Unit Owner shall not do, nor allow anyone else to do, anything negatively affecting the Unit. Notwithstanding the above, the presence, use, or storage on the Unit of small quantities of hazardous substances that are generally recognized to be appropriate to normal residential uses and maintenance of the same are allowed.

Section 4- Main Vehicular Entrance

The Project will have vehicular control access. Said vehicular control access will comprise an electric gated entrance with 24-hour guard service, intercom and exclusive access lane for Unit Owners. Notwithstanding the above, no Unit Owner, resident, occupant or visitor will be allowed access to the Project through the use of their automobile horn; they must use the "tele-entry" and properly identify to obtain access to the Project. The Unit Owners and future Unit Owners, their successors and assigns will be responsible to pay the Association as part of the aforementioned monthly fees any and all the expenses related to the maintenance and control of said vehicular control access. All Unit Owners and future Unit Owners agree to said vehicular control access and to any and all obligations arising or that may arise from the same.

Section 5- External Changes to the Unit

Unit Owners may not modify, or make improvements to the exterior walls or balconies of their Unit; enclose the balconies of their Unit; place grilles or bars on the their Unit; or install outside television or other antenna without the consent of the Board.

No Unit Owner shall be allowed to change the exterior color scheme of his Unit other than to one shown in **Exhibit F** of the Restrictive Covenants of the Project, color scheme approved in connection with the development of AQUABELLA COMMUNITY, except as approved in writing by the ARB. Unit Owners may not modify the colors of the exterior walls, windows, railings, shutters or any other exterior or Common Areas of the Project unless the Board of Directors determine otherwise.

LPG or natural gas tanks for stoves or ovens may not be placed in any Common Area, whether limited for the use of a Unit or not, nor may any tank be placed in any place where it may be seen from the outside.

Section 6- Leases

No Unit shall be leased or rented for periods shorter than one (1) month. Violation of this provision will cause the imposition of a fine of \$500.00 for each instance a Unit Owner rents or leases its unit for a period shorter than the one herein provided.

Section 7- Structural Modifications

No Unit Owner shall make structural modifications within his Unit without prior notification to the Board in writing through the Administrator, if any, or through its President if no Administrator is employed. The Board will have the obligation to answer within ninety (90) days, and failure to do so within the stipulated time will mean that there is no objection to the proposed modification or alteration.

Section 8- Liability

The Unit Owner will be liable for his tenant's violations of his obligations under the Project Documents.

Section 9- Association Employees

No Unit Owner, resident or occupant may use the services of any employee of the Association for personal or private matters during working hours of the employee.

Section 10- Maintenance and Repair

Unit Owners will maintain their Unit(s) in good repair, clean and free of those conditions that may attract pests. Unit Owners will also make those repairs and perform such maintenance in their Unit(s) which, if not done, would negatively affect, totally or partially, the Project or other Unit Owners.

The Board shall notify a Unit Owner in writing, via certified mail, return receipt requested, if its Unit needs to be painted. The Board will allow the Unit Owner up to six (6) months from the notification date to comply with

the request. The Board shall impose a fine of \$50.00 for each month the Unit remains without being painted after the six (6) months period.

Unit Owners shall undertake, at their sole cost and expense, any and all maintenance, repair, cleaning, security and/or improvements to their Unit, without impeding or jeopardizing any use and enjoyment to which other Unit Owners are entitled. Each Unit Owner shall be responsible for the proper disposal of any material and/or debris used or created as a result of any maintenance, repair, cleaning and/or improvement work undertaken in connection with, or within his or her residential Unit.

Some Units of the Project have a joining wall ("Pared(es) Medianera(s)"). Unit Owners shall not install windows or make holes in said joining wall(s) (31 DPR Sec 1772). Unit Owners and their neighbors are jointly responsible for the maintenance of the aforementioned joining wall(s).

All repairs of internal installations of any Unit such as water, light, power, sewage, telephones, air conditioners, sanitary installations, doors, windows, lamps, and all other accessories belonging to the Unit will be at the expense of the Unit Owner.

A Unit Owner will reimburse the Association for any expenditure incurred in repairing or replacing any Common Area damaged through his fault or by any person or company working on their Unit and premises.

Section 11- Maintenance and Upkeep of Back Yard Areas

Units have for the exclusive use of their Unit Owner, a back yard area enclosed by trees. Common elements such as drainage pipes, electrical conduits, and plumbing facilities may run under these areas. Unit Owners may not plant trees, build structures, enclose, or otherwise alter these areas. Maintenance and upkeep of those back yard areas will be the responsibility of the Unit Owners.

Section 12- Notification

Whenever a Unit Owner lets his Unit, he will furnish a copy of the lease and inform the Board the name, address, and that other information as the Board may reasonably require about the tenant.

Section 13- Pets

The maintenance, keeping, breeding, boarding and/or raising of animals, livestock, or poultry of any kind, regardless of the number is prohibited within any part of the Project Property, including the Unit(s), and the Common Areas of the Project, except that this will not prohibit the keeping of orderly domestic house pets such as dogs and cats (or other domestic animal commonly considered as house pets) and provided that they are not kept or maintained for commercial purposes or for breeding, and that they are properly kept and maintained without generating offensive noises, odor, and in safe and sanitary conditions. Pets will not be permitted upon the Common Areas of the Project, except in areas designated by the Board. All domestic pets shall be accompanied by an adult and kept under the direct control of their owners at all times, and will not be allowed to run free or unleashed at any time, or to otherwise interfere with the rights, comfort or convenience of any of the Unit Owners or occupants. Any inconvenience, damage or unpleasantness caused by such pets will be the sole responsibility of the respective owners thereof. Unit Owners will clean up after their pet if it defecates or urinates in a Common Area or in the premises of another Unit. Any person who keeps or maintains any pet upon any portion of the Property or the Project Property will be deemed to have indemnified and agreed to hold the Project, and each of the Unit Owners free and harmless from any loss, claim or liability of any kind or character whatsoever arising by reason of keeping or maintaining such pet within the Property or the Project. The Board will have the right to order any person whose pet is a nuisance to remove such pet from the Common Areas or from the Project.

Section 14- Signage

No Unit Owner may place signs or advertisements on the Common Areas except for notices no larger than 3" x 5" on the Communal Bulletin Board (if any).

Section 15- Use of Units

Units shall only be used for residential purposes. No industry, businesses, trade, occupation or profession of any kind, commercial, religious, educational, or otherwise, designed for profit, altruism, exploitation, or otherwise, shall be conducted, maintained, or permitted in the Units.

Section 16- Emergency Plant, Water Cistern and Storm Shutters

Unit Owners may permanently install a power generator for their Unit. Power generators must be enclosed in sound shields and may not produce noise in excess of that noise allowed by the applicable governmental regulations.

Water cisterns may be installed in the Unit, but not in the Common Areas.

The storm shutters and awnings for all doors and windows of every Unit must be exactly the same design, material and color of those now installed in the other Units.

Section 17- Rules of Conduct

(a) Unit Owners and/or residents shall exercise extreme care to avoid unnecessary noise or the use of musical instruments, radio, television, home theater, and amplifiers that may disturb other residents.

(b) No Unit Owner, resident or lessee shall:

- 1) Post any advertisement or posters of any kind in the Project;
- 2) Hang garments, rugs, or similar objects from the windows or from any of the facades of their Unit(s);
- 3) Dust rugs, mops or similar objects by beating on the exterior part of their Unit(s);
- 4) Throw garbage or trash outside the disposal installations provided for such purpose in the Project;
- 5) Act so as to interfere unreasonably with the peace and enjoyment of the residents of the other Unit(s) in the Project.

Section 18- Use of the Common Areas

Subsection 1- Use Restrictions

a) Unit Owners may not place or cause to be placed in the lobbies, vestibules, stairways, and other Common Areas of the Project furniture, package, garbage, bicycles, or objects of any kind. Such areas will be used for no other purpose than for normal common use and transit through them.

b) Nothing will be done or kept in any part of the Property, in the Unit(s) or in the Common Areas of the Project which will increase the rate of insurance applicable for residential use of the Project without the prior written consent of the Board. No Unit Owner will permit anything to be done or kept in the Common Areas, Facilities, or in the Unit(s) which will result in the cancellation of any insurance, or which would be in violation of any law or the Project Documents.

The Unit Owner or Tenant must be present in Aquabella premises whenever visitors enjoy the common areas, if not, said person may be removed from the Common Areas. The violation of this provision will cause the imposition of a fine of \$100.00 for each occurrence. This fine will also apply to a Unit Owner who is in arrears in its payments to

the Association and thus ineligible to enjoy the communal recreational areas of the Project, including the swimming pools.

c) No immoral, improper, offensive, or unlawful use will be made of the Property, the Project, the Unit(s), or the Common Areas of the Project, or any part thereof, and all valid laws, zoning ordinances and regulations of all the governmental agencies having jurisdiction thereof will be observed. All laws, orders, rules, regulations, or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, the Project, the Unit(s), and/or the Common Areas of the Project will be complied with, by and at the sole expense of the Unit Owner or the Council, whichever will have the obligation to comply with such laws, rules or requirements.

d) No fuel tanks or similar storage receptacles may be installed or located within any portion of the Property or the Project.

e) No trees may be removed without the written approval of the Board.

f) No industry, businesses, trade, occupation or profession of any kind, commercial, religious, educational, or otherwise, designed for profit, altruism, exploitation, or otherwise, will be conducted, maintained, or permitted on any part of the Common Areas, Facilities, the Project, the Unit(s) or any part thereof.

g) No garbage cans, refuse, or litter will be placed in any Common Area except in the garbage storage areas.

h) No laundry will be hung out to dry in any Common Area nor shall any curtains, rugs, mops, or any other object be shaken from any window, door, or balcony or exposed in any of those places.

i) Cooking, eating or drinking in Common Areas is prohibited except as pertinent to regulations of the pool and gazebo areas.

j) The use of barbecues, gas or electronic stoves or any type of cooking equipment is strictly prohibited in the Common Areas, except in the case the Council decides otherwise.

Subsection 2- Deliveries

Furniture, equipment, plants, or any other deliveries will only be permitted from Monday to Saturday from 8:00 a.m. to 6:00 p.m. No deliveries are permitted on Sundays or Holidays except small packages such as flowers, gift baskets and documents, as well as small size deliveries by UPS, Federal Express, U.S. Mail, etc.

Subsection 3- Employees

The employees working in the Unit(s) will not gather or lounge in the Common Areas.

Subsection 4- Parking Spaces, Golf Carts and Motorized Vehicles

The parking spaces will only be used to park automobiles. No trailers, boats, tractors, vans, wagons, or trucks that exceed three quarter tons will be parked within the Project except when loading or unloading.

No junk vehicles or other vehicles on which current registration plates are not displayed, except electric golf carts, will be kept upon any part of the Common Areas or in the Project, nor will the repair or maintenance of automobiles or other vehicles be carried out on any part of the Common Areas of the Project, except emergency repairs, which may be carried out in the parking areas.

No commercial vehicles, trucks, trailers, recreational vehicles (except electrical golf carts), boats, jet skis, or similar vehicles will be kept upon any portion of the Common Areas or the Project.

With the exception of lawn care and maintenance equipment used by persons or entities responsible for the maintenance of the Project and/or the back yards of the Units, no other motorized vehicles may be used or maintained on the yards or sidewalks of the Common Areas or the Project, and no unlicensed motorized vehicles other than golf carts are allowed on the Project or any portion thereof.

No golf carts are allowed on sidewalks, green areas, or backyards. Golf carts may only transit over streets, and may only be parked in the assigned spaces.

Parking spaces must be used according to their designation. All vehicles shall be parked in their assigned space and without obstructing the parking space of another Unit Owner.

Subsection 5- Visitor Parking

Visitor parking spaces must not be used by any resident on a permanent or semi-permanent basis. These visitor parking spaces are only to be used briefly for visitors and personnel servicing the Project. Immediately upon parking, they should register with the guard (if any) on duty.

The guard (if any) is not authorized to keep keys or to move any vehicle. If necessary, he will call the corresponding Unit Owner and request that the vehicle be removed.

Subsection 6- Violations

Any Unit Owner shall be liable to the Association for any and all violations to Subsections 4 and 5 of this Section, including its tenants, employees, and invitees. Said violation will cause the imposition of a fine of \$75.00 for each occurrence.

Section 19- Parties or Social Activities in the Common Areas

THE FOLLOWING RULES ARE NECESSARY FOR THE PROPER USE OF THE COMMON AREAS AND FOR PROTECTING THE PEACE AND RIGHTS OF OTHER OCCUPANTS OF THIS PROJECT.

- 1- No activities are permitted on Sundays. Sundays are for the exclusive use of the Unit Owners and residents.
- 2- Only the Unit Owner or residents can use the Project facilities for activities.
- 3- A formal written request must be delivered to the Administration Office indicating the date, number of guests, the guest list and time schedule. The guest list will be given to the guard (if any) in order to check the guests with the list.
- 4- The Unit Owner(s) or resident(s) having the activity will provide, at their expense, a security guard (if any) during the total time of the activity. If the activity is held in the pool the resident or residents will also provide a licensed lifeguard during the total time of the activity.

Section 20- Use of the Grand Gazebo

The Unit Owners or residents may use and enjoy the grand gazebo throughout the year but under the rules and norms that the Administrator or the Board of Directors may adopt. During the use of the grand gazebo, the Unit Owners or residents will be responsible for any damages incurred. The Project will repair any damages and the Unit Owners or residents will reimburse all the expenses.

At the end of the activity, the grand gazebo must be returned to the same clean and orderly condition as it was before the activity.

The use of the grand gazebo for parties or social activities is permitted under the rules and norms specified in Section 19 of this Article.

The use of glass, as in but not limited to plates, cups, bottles, glasses etc., in the club house is forbidden.

The use of radios, sound equipment, television, etc., in the club house is forbidden if in any way it disturbs other users of the grand gazebo or nearby areas, or annoys the Unit Owners.

Section 21- Use of the Swimming Pools

ALL UNIT OWNERS, RESIDENTS, FAMILY AND GUESTS ARE PROPERLY NOTIFIED THAT THEY ARE USING THE POOL(S) AT THEIR TOTAL RISK AND THAT THE PROJECT WILL ASSUME NO RESPONSIBILITY WHATSOEVER FOR ANY FORM OF ACCIDENT OR DAMAGES THAT MAY OCCUR FROM THE USE OF THE POOL(S).

1- The Unit Owners or residents may use and enjoy the swimming pool(s) throughout the year but under the rules and norms that the Administrator or the Board of Directors may adopt.

2- The Unit Owners or residents may bring guests to the swimming pool. Guests may not exceed seven (7). More than seven (7) guests will be considered an activity, and the Administrator must be notified.

3- The use of glass, as in but not limited to plates, cups, bottles, glasses etc., in the pool is forbidden.

4- The use of radios, sound equipment, television, etc., in the grand gazebo is forbidden if in any way disturbs other users of the pool(s) or nearby areas, or annoys the Unit Owners.

5- Running, rough physical games, ball games, etc., are prohibited in the pool area.

6- All waste should be placed in the available containers. Violators may be fined for the cost of cleaning or repair of any damages incurred.

7- In all the activities held in the pool, a licensed lifeguard should be available.

8- The users of the pool will have the proper attire and maintain the correct attitude while using the facilities. The plants, lights, fountains and/or waterfalls (if any), etc., will be respected and violators will be fined for necessary repairs, cleaning or replacement.

9- Minors must be with their parents, tutors, or with a responsible adult at all times while using the Common Areas of the Project. The adults, parents, or tutors will be totally responsible for minors using the pools or any other Common Areas of the Project, and Unit Owners and/or residents will be responsible for their guests.

10- Floaters and inflatable utensils may be used at your own risk and provided they do not bother other users. They should be removed from the area after their use, and the Association shall not be responsible for the use of these items or the loss of the same.

11- Use of items with a motor in any other form is prohibited.

12- Any Unit Owner and/or its tenants, employees or any other person that might use the Facilities of the Project, specifically the swimming pools, may be removed from said premises by the security guard of the Association because of the infringement of these regulations, including the use of the pool beyond the scheduled hours.

13- Instructions for using the pool:

a) Once returning from the beach, the showers provided in the area must be used to remove the sand from your body before entering the pool.

- b) The bathroom in the area should be used for all physical necessities. Urinating in the pool(s) is forbidden.
- c) No consumption of food or beverages is allowed in the pool.

ARTICLE IX - COMPLIANCE AND DEFAULT

Section 1- In the event of a violation (other than non-payment of Common Expenses Shares) by a Unit Owner of his obligation under the Project Documents, the Board will notify the infringing Unit Owner in writing of the violation. If the violation is not cured within thirty (30) days after the notice is sent, the Board may pursue those legal remedies as it may have available to enforce the Unit Owner's compliance with the Project Documents.

Section 2- The Board will undertake those actions as may be necessary or convenient for the common good of the Project and/or the Association. In the event a Unit Owner complains to the Board of a violation by another and the Board fails to take action to enforce compliance, the complaining Unit Owner will then be entitled to pursue the remedies as may have been available to the Board to enforce compliance.

Section 3- Failure by the Board or by any Unit Owner to enforce compliance of obligations under the Project Documents will never be interpreted as a waiver of the right to seek compliance in case of future violations.

Section 4- All rights and remedies granted by the Project Documents to the Council, the Board, or the Unit Owners, will be non-exclusive and the exercise of any one or more remedies will not constitute an election of remedies or a waiver of those not exercised.

ARTICLE X - TRANSFER OF ADMINISTRATION

As the Developer no longer owns any property within the AQUABELLA COMMUNITY, Administration of the Project and the Property is now fully vested in the Council and the Board in accordance with the provisions of the Deed, this Association By-Laws and the Project Documents.

ARTICLE XI - AMENDMENTS AND COMPLIANCE WITH DEED

These Association By-Laws may be amended by the Council in a duly constituted meeting held for such purpose, by the vote of at least the two thirds (2/3) of the Unit Owners. The amendments will take effect on compliance with the provisions of the laws and the Project Documents regarding the recording of the amendments in the Registry of the Property.

These Association By-Laws are intended to comply with the requirements of the Restrictive Covenants of the Project, and any amended version of the same (if any). In case any of these Association By-Laws conflict with the provisions of said Deed, it is hereby agreed and accepted that the provisions of the Deed, will control.