

**PALMAS DEL MAR HOMEOWNERS ASSOCIATION
COMMUNITY STANDARDS RULES AND REGULATIONS Adopted
July 15, 2008 As Amended September 5, 2024**

PART I. INTRODUCTION

A. PURPOSE

The purpose of these Community Standards Rules and Regulations is to promote aesthetic excellence of all Residential and Commercial Property within Palmas del Mar Homeowners Association, to encourage mutual respect among all Residential Property Owners and Tenants, and to foster standards which will maintain Palmas del Mar Homeowners Association as premier community in Puerto Rico. These Community Standards Rules and Regulations may be enforced by staff of Palmas del Mar Homeowners Association, Inc., and compliance will maintain Palmas del Mar Homeowners Association' high standards of excellence in the community. The Community Standards Rules and Regulations are found within Section IX [Use of Property], at Palmas del Mar Homeowners Association's Deed of Amended and Restated Declaration of Rights, Restrictions, Conditions and Constitution of Restrictive Covenants and Establishment Provisions, as amended December 4, 2019.

B. DEFINITIONS AND ACRONYMS

Palmas del Mar Homeowners Association Architectural Review Board ("PHA ARB")

Palmas del Mar Homeowners Association Architectural Review Board Guidelines ("PHA ARB Guidelines")

Palmas del Mar Homeowners Association Homeowner Association (PHA HOA)

Palmas del Mar Homeowners Association, Inc. ("Palmas del Mar Homeowners Association and or PHA")

Development. Any external new construction, additions, alterations, signage, and/or renovation of existing structure and/or appurtenances including, but not limited to, installation or modification of propane tanks, satellite dishes, playhouses, gazebos/pergolas, and pools; repainting (even with the same colors); fence installation; driveway repair/replacement; reroofing (even with the same colors); window/door/garage door replacement (even with same style or color).

Fines Schedule. A listing of monetary fines that may be used as enforcement action for violating these Community Standards Rules and Regulations.

Identified Property. A Residential Property judged by the Community Standards Officer to be in violation of the Community Standards Rules and Regulations.

Community Standards Rules and Regulations ("Community Standards Rules and Regulations"). The Rules and Regulations pertaining to Residential Property Community Standards management contained herein, as provided by applicable Covenants and Bylaws.

Community Standards Violation ("Community Standards Violation"). A condition that fails to conform to the Community Standards Rules and Regulations.

Community Standards Violation Appeal ("Community Standards Appeal"). A written plea by the Owner to the Palmas del Mar Homeowners Association President challenging the validity of the Community Standards Violation.

Community Standards Violation Notice ("Community Standards Violation Notice"). A written notification to the Owner by the Community Standards Officer describing the Community Standards Violation(s), specifying a deadline for violation resolution, and stating the fine enforcement action. Such notices are also referred to as the "Initial Notice", the "Second Notice", and so forth.

Community Standards Violation Resolution Date ("Violation Resolution Date"). The official date a Community Standards Violation is deemed resolved by the Community Standards Officer, as verified by Property inspection.

Community Standards Violation Resolution Notice ("Violation Resolution Notice"). A written notification to the Owner by the Community Standards Officer documenting the full remediation of the Community Standards Violation.

Community Standards Violation Timeline Extension Request ("Timeline Extension Request"). A written notification by the Owner to the Community Standards Officer requesting a Community Standards Violation remediation deadline extension.

Community Standards Officer ("Community Standards Officer"). A Palmas del Mar Homeowners Association employee, or Contracted representative, responsible for conducting Property inspections and taking actions in accordance with the Community Standards Rules and Regulations.

Master Plan. Shall mean and refer to the plan of the Company [Master Developer] as approved by the Commonwealth of Puerto Rico Planning board for the development of the Palmas del Mar community.

Residential Property ("Property"). Any parcel of land, improved or unimproved, intended for residential use within Palmas del Mar Homeowners Association Community. An improved property is a "Developed Property" and an unimproved property is an "Undeveloped Property".

Residential Property Owner ("Owner"). The owner of a Residential Property within Palmas del Mar Homeowners Association.

Residential Property Tenant ("Tenant"). The tenant of a Residential Property within Palmas del Mar Homeowners Association for any short- or long-term rental period.

Palmas del Mar Homeowners Association. The Residential and Resort planned unit development known as Palmas del Mar Homeowners Association, Inc., at the City of Humacao, Commonwealth of Puerto Rico.

Palmas del Mar Homeowners Association Gate Entry Policy ("Gate Entry Policy" or "GEP"). The Gate Entry Policy will be further developed in compliance with Section IX.A.14 PHA Bylaws and Covenants.

Violation Category ("Category"). A subset of Violations of these Community Standards Rules and Regulations contained within a Fine Schedule that incur a given set of monetary fines.

C. PREAMBLE

1. Authority. The legal authority to promulgate and enforce these Community Standards Rules and Regulations is derived from the Palmas del Mar Homeowners Association Covenants and Bylaws, the Commonwealth of Puerto Rico Nonprofit Corporation Act of 1994, and various restrictive covenants and other agreements of record or otherwise applicable to Property in Palmas del Mar Homeowners Association. The Community Standards Rules and Regulations may be amended from time to time at the sole discretion of the Palmas del Mar Homeowners Association Board of Directors and Master Developer, as applicable. As dictated by any violation, the Palmas del Mar Homeowners Association reserves the right to solicit the assistance and intervention of the appropriate city, state or federal governmental agency in order to enforce applicable Community Standards Rules and Regulations.

2. Supersession. This Community Standards Rules and Regulations statement, together with any subsequent amendments approved by the Palmas del Mar Homeowners Association Board of Directors, will supersede all rules and regulations pertaining to common land use management contained managed by Individual Regimes. This Community Standards Rules and Regulations statement, and any future amendment approved by the Palmas del Mar Homeowners Association Board of Directors and Master Developer, will supersede all rules and regulations for Commercial usage, residential Developers, Owners and Long/Short Term Renters and Guests, as it pertains to the Palmas del Mar Homeowners Association common property usage guidelines.

3. Enforcement. Violations of the Community Standards Rules and Regulations may result in the levy of a fine or fines, as set forth in Exhibit A Schedule of Fines for Community Standards Rules and Regulations Violations, attached hereto and made part of these Community Standards Rules and Regulations, and may result in penalties as set forth in the Palmas del Mar Homeowners Association. Unpaid fines may be subject to interest and costs of collection. Palmas del Mar Homeowners Association has the right, but not the obligation to proceed at law or in equity to compel compliance with these Community Standards Rules and Regulations. Paid fines will go to the Palmas del Mar Homeowners Association General Fund, under a separate lined item

Further, Palmas del Mar Homeowners Association staff, or designated representative, have the right but not the obligation to enter upon any lot (i.e., any Undeveloped Property) to remedy or abate a Community Standards Violation (an “Community Standards Violation”) and such entry is not deemed a trespass. Palmas del Mar Homeowners Association has the right to request inspection by the applicable agency of the City of Humacao, or the Commonwealth of Puerto Rico of any Property for possible violation of law, including, but not limited to, environmental, building, abandoned vehicles, health and/or safety codes. Such a violation may result in penalties as defined by law.

4. Responsible Parties. The Owner is responsible to ensure the Property remains in compliance with the Community Standards Rules and Regulations at all times, including such Owner's invitees, Tenants, guests, and contractors. Tenants, as well as Owners, are responsible to ensure the Property remains in compliance with the Community Standards Rules and Regulations, including, but not limited to, those pertaining to overall appearance, trash and debris, and vehicles.

PART II. COMMUNITY STANDARDS MANAGEMENT

A. COMMUNITY STANDARDS RULES AND REGULATIONS

1. Development

1.1. Development of a Property may not commence without prior receipt of all necessary and appropriate approvals from the PHA ARB and applicable governing authorities. Such permits shall be displayed on the Property as required by the PHA ARB Guidelines located at PHA ARB Website, and applicable governing authorities. Development commenced and/or completed without having received the necessary and appropriate permits from PHA ARB and the applicable governing authorities, properly displayed, may be subject to a stop-work order, fine and/or removal, to include restoring the area to previous conditions.

1.2. All Development shall be completed within the delineated deadline(s) specified in the permit(s), or within the applicable PHA ARB approved deadline extension(s).

1.3. Newly completed Development shall comply with the PHA ARB Guidelines.

2. Development Maintenance. Completed and PHA ARB approved Development shall continue to meet the PHA ARB- approved specifications, the PHA ARB Guidelines as well as government requirements and remain as originally approved. Specific requirements include the following:

2.1. Exterior building materials (e.g., roof tiles, siding, decks, porches, railings, windows, fascia/trim boards, roofs, gardens, generators, shutters), property barriers (e.g., fencing, privacy walls, retention walls, perimeter fencing), and hardscapes (e.g., walkways, driveways) shall be kept in good repair. Cleaning is required to remove notable visible buildup of surface contaminants (e.g., dirt, mold, mildew, moss, rust). Replacement or repair is required when damage or deterioration occurs.

Repainting/re-staining and/or re-stucco is required of painted/stained/damaged wall surfaces when notable discoloration, fading or peeling occurs. Repair or maintenance work shall be done in a manner that ensures consistency and conformity of the repaired/maintained materials with remaining existing materials of the same type (e.g., same cement stucco, re-tile roofing a section may be permitted if the new roofing matches the current older roof, otherwise, the entire roof may require replacement).

2.2. Boat docks, piers, seawalls, and bulkheads shall be kept in good condition and repair. Replacement or removal is required when damaged or deteriorated beyond repair. No trailer of any shape, use and/or form will be stored at any residential unit, lot or commercial space, unless authorization is granted in accordance with property use (i/e Marina, dock space, boat repair yard)

2.3. Pools (e.g., swimming pools, whirlpools, spas, hot tubs, wading pools) shall be kept in good condition and repair. Pools shall be kept clean of debris and be properly treated to prevent mosquito breeding, vegetative and/or bacterial growth. The perimeter of the pool, including walkways, shall be kept in good condition and repair. Replacement or repair is required when deterioration of pool surfaces, perimeters, decking, and/or walkways occurs. Pool covers shall be in good condition and repair, and when in use must be well secured so as to fully cover the pool.

3. Landscaping

3.1. Owners shall comply with PHA ARB guidelines in obtaining the proper approvals prior to initiating tree removal, landscaping removal, and/or landscaping plantings for the Property. Before work commences all permits required by the PHA ARB and applicable governing authorities shall be displayed and visible from the road. Unapproved disruption of government protected critical environments may be subject to penalties as defined by law [Refer to Habitat Conservation Plan and Department of Natural Resources Website], for rules pertaining to tree removal and pruning. Only the Palmas del Mar Homeowners Association contractors and representatives will be managing common landscaping and grounds located on Palmas del Mar Homeowners Association open space, ocean front public trust property, and/or a government-protected critical environments. Landscaping work commenced and/or completed without having received the necessary and appropriate permits from PHA ARB and the applicable governing authorities, properly displayed, may be subject to a stop-work order, fine and/or removal/restoration of said modification.

3.2. All landscaping work shall be completed within the delineated deadline(s) specified in the permit(s), or within the applicable PHA ARB approved deadline extension(s).

3.3. Newly completed landscaping on Developed Property shall meet PHA ARB approved landscaping specifications and PHA ARB Guidelines, as well as applicable requirements of Palmas del Mar Homeowners Association and government authorities.

4. Landscaping Maintenance, Developed Property. Completed and PHA ARB-approved landscaping on Developed Property shall be maintained in such a manner that it continues to conform to the PHA ARB-approved specifications and the PHA ARB Guidelines. Landscaping should include sufficient plants in a manner that buffers the house appearance. Landscaping shall be maintained in a manner that conforms to and does not detract from the

aesthetics of the neighborhood. As landscaping ages, supplemental or replacement plantings may be needed to maintain appearance. Specific requirements include the following:

4.1. Lawns, bushes, trees and palms shall be cut/trimmed to maintain a neat appearance. Bedded areas shall be kept clear of overgrowth. Vines, weeds and invasive vegetation shall be removed.

4.2. Roofs, gutters, driveways, and other hard surfaces shall be cleared of mold, stains, leaves, palm residues and other vegetative debris with reasonable frequency so that there is no accumulation, nor buildup. The appropriate disposal of organic material must be undertaken.

4.3. Ground cover (e.g., mulch, soil, rock, pebbles) shall be applied periodically to maintain a neat, clean appearance. Ground (e.g., dirt) shall not be left exposed without landscaping or ground cover. Ground cover materials not fully distributed within three (3) weeks of delivery to the Property may be considered vegetative debris. Fallen leaves are not acceptable ground cover for developed properties.

5. Landscaping Maintenance, Undeveloped Property. Undeveloped Property grounds and landscaping shall be maintained in a neat manner to conform to the following:

5.1. No structure, vehicle, boat, or storage unit of any kind, temporary or permanent, is permitted on the Property. PHA ARB approved structures, vehicles, or storage units necessary for ongoing construction projects or emergencies are exempt subject to prior written approval from the PHA ARB.

5.2. Vegetative undergrowth is permitted in natural areas but shall be cut in a manner and with sufficient frequency to ensure the Property conforms to and does not detract from the aesthetics of the neighborhood. Vines, weeds and invasive vegetation shall be removed.

5.3. Fallen leaves are permitted as landscaping ground cover, but shall be maintained in a neat and clean appearance.

6. Landscaping Maintenance, General

6.1. Downed trees shall be removed from the Property. A downed tree is one in which all or part of the trunk is lying on the ground or on a structure (e.g., house, car, another tree), and/or is uprooted.

Removal of any standing tree having a trunk diameter of 6 inches or greater measured 4 feet above grade (living or dead), located on Developed or Undeveloped Property, requires approval by the PHA ARB and any applicable governing authority, prior to removal. Tree removal performed without applicable permit(s) is prohibited.

Pruning or removal of a protected species (regardless of size) may be regulated by applicable governing authorities. Owners should contact the PHA ARB for further information prior to pruning or removal. Tree stumps left on Developed Property must be removed to below ground level.

6.2. Special consideration shall be given to vegetation and the land itself bordering waterways, lagoons, the oceanfront, and any other government protected critical environment. If such land is not the Property of the Owner, modification of it and/or its vegetation requires pre-approval from its legal owner and/or administrator. Palmas del Mar Homeowners Association owns most of the common property in Palmas del Mar Homeowners Association which includes lagoon banks. The ground, water and vegetation (living or dead) located in such areas may serve

a vital role in bird, animal and plant preservation and in shoreline stabilization. Disruption of such areas are subject to penalties for trespassing and for violations as defined by law.

Before altering any Palmas del Mar Homeowners Association property, an encroachment agreement is required. In addition, PHA ARB and other governmental authority pre-approvals are required. It is the Owner's responsibility to be aware of the requirements before proceeding. Even if the Owner has title to and possession of waterfront land, laws regarding protected critical environment areas apply. Work commenced and/or completed without having received the necessary and appropriate permits from Palmas del Mar Homeowners Association, PHA ARB, and the applicable governing authorities, properly displayed, will be subject to a stop-work order, possible fines, removal of said modification, and/or restoration of the said environment.

6.3. Blower Noise Levels: Any individual or entity engaged in landscape maintenance or cleanup or removal for hire shall not utilize commercial grade leaf blower equipment unless such equipment has been rated by the manufacturer specifications (per American National Standards Institute ("ANSI") Standards B175.2-2000 (R2005):

Effective January 1, 2023, maximum of 75 dBA or less.

Effective January 1, 2026, maximum of 65 dBA or less.

Exemptions: This shall not apply to landscape maintenance or cleanup on the following:

a. Golf courses; b. Tennis facilities; c. Stables; d. Leisure trails; e. Commercial Parking Areas or common areas owned by Commercial Owners; f. Road rights of way; g. Any Residential Property for purposes of cleanup only, following a named tropical storm, hurricane, or other major storm as declared by Palmas del Mar Homeowners Association, that directly affects Palmas del Mar Homeowners Association; h. Open space and lands managed or owned by Palmas del Mar Homeowners Association.

Compliance: Any individual or entity engaged in landscape maintenance or cleanup or removal for hire shall attest to compliance with these requirements as a condition to secure permit for access into Palmas del Mar Homeowners Association to perform such services in Palmas del Mar Homeowners Association. False attestation of compliance with the requirements of Paragraph 1 may result revocation of gate privileges.

7. Overall Property Appearance

7.1. Mailboxes and mailbox posts shall be properly labeled and maintained in good repair as per Palmas del Mar Homeowners Association standards. A Palmas del Mar Homeowners Association approved street number sign shall be posted at each Property easily visible from the road, and shall be properly maintained in good repair. Contact Palmas del Mar Homeowners Association Maintenance for mailbox/post repair, maintenance, or label change, as well as for street number sign repair or replacement.

7.2. For security and aesthetic reasons, garage doors shall be kept closed when not in use and/or during overnight.

7.3. As specified in the PHA ARB Guidelines, Owners are responsible for the landscaping and maintenance of landscaping in right-of-ways from their Property lines to the

roadway and public beach walkways. However, the temporary or permanent installation or use of materials or items in any right-of-way that may block right-of-way access, that may limit vehicular traffic visibility, and/or that pose a hazard to vehicular, bicycle or pedestrian traffic is strictly forbidden. Items or materials prohibited from installation or use in right-of-ways include, but are not limited to, signage, larger vegetation, woody vegetation, reflective devices, rods, spikes, posts, pilings, boards, walls, fences, ropes, boulders, and rocks/bricks/pavers that protrude more than 2 inches above ground level. Owners may apply for a variance to this rule by applying for an easement agreement with Palmas del Mar Homeowners Association and by applying for approval with the PHA ARB for either existing or new installation of materials or items that do not conform to this rule. Palmas del Mar Homeowners Association has the right, but not the obligation, to remove any item or material on Palmas del Mar Homeowners Association right-of- way at their sole discretion; Palmas del Mar Homeowners Association bears no responsibility for such material and/or item damage or replacement.

7.4. Laundry, Clothing or Bed items (e.g., towels, bathing suits, sheets, etc.) may not be hung on railings/balconies or any other location where visible from adjoining properties, a golf course, the beach or the street. Clotheslines are prohibited. Household items (e.g., coolers, bicycles, skateboards), yard maintenance equipment (e.g., mowers, trimmers, gas cans, garden hoses, ladders), firewood and sports equipment (e.g., field sports equipment, basketballs, kayaks, canoes) must be stored out of public view when not actively in use. Service areas should be used to store items rather than leaving them in plain sight. Temporary storage of bicycles in public view is permitted, if such bicycles are stored neatly, as far from the road as possible, and in a location that does not block walkways or create a safety hazard.

7.5. Structurally permanent yard toys (e.g., trampolines, swing sets, basketball backboards, playhouses, hammocks) are allowed [no more than one (1) of each type], consistent with neighborhood aesthetic suitability and positioned so as to minimize visibility from any streets, homes and golf courses. All items shall be maintained in good repair. Tents or other temporary accommodations such as might be used for overnight camping are prohibited. Small play tents for daytime use by children, are permitted. Other tents used for special authorized events will be permitted, and will be considered on a case by case basis. Tree houses, stairs, platforms or other such recreational structures in or on a tree are prohibited.

7.6. Outdoor furniture shall be kept clean and maintained in good repair. Lawn accoutrements (e.g., statuary elements, windmills, flags/banners) must conform to PHA ARB Guidelines in type, size, quantity, and Property location; they shall not detract from the aesthetics of the neighborhood. Flags, banners, and signs shall not be larger than 3' x 5', and in full compliance with PHA ARB standards. Flags, banners, and signs permitted are limited to those for decorative/holiday purposes, those displaying an educational institution or sports affiliation logo, any current national or state flag, or military branch logo. Excessive displays are discouraged.

Other permitted signage on or near Property includes items approved by the PHA ARB (e.g., house number signs, contractor signs, PHA ARB notices, building permits), and items approved by Palmas del Mar Homeowners Association (e.g., traffic directives, special event notices, safety precautions). A temporary sign displayed on Property to warn of children playing is permitted, only during times of active play. All other messages or advertisements of any kind displayed in any format on or near Property are prohibited.

7.7. Exterior lighting, especially lighting on automatic timers, may not be left on for extended periods, and/or after 10 PM. In no case shall they shine into a neighbor's residence or Property. Occasionally appropriate exterior lighting may be left on when someone is returning to the property after 10 PM. Changes to all exterior lighting fixtures must be PHA ARB approved. Exterior Lighting within coastal zones will be in conformity with the Habitat Conservation Plan, and endangered Species Act for the preservation of Critical Habitats.

Outdoor decorations that may include exterior lighting for which PHA ARB approval is not required, used solely for decorative, holiday or celebratory purposes, are permitted. Decorations should not be excessive. Such lighting may include lights directed onto doorways, or strings of lights on trees, boat docks, or other structures. Such decorations and lighting should only be employed for special occasions and/or holidays and for a limited duration; they are not for daily use; lighting may not be left on after 10 PM. Celebratory or holiday music, noises or other sounds are not permitted as components of such decorations.

[NOTE: No lights of any kind or intensity may shine onto or on the beach during loggerhead turtle nesting season during evening hours from May-October as defined by the Habitat Conservation Plan, or applicable Municipal, State or Federal laws. Violations may be subject to penalty as defined by law.]

8. Trash and Debris

8.1. All Properties shall be free of trash, garbage, and any type of non-vegetative debris. All trash, garbage, and non-vegetative debris shall be properly contained and routinely removed from the Property.

[Note: Construction debris shall be contained and properly disposed of as required by PHA ARB Guidelines.]

8.2. Trash cans and recycling bins shall be kept in designated service yards at all times. Curbside trash pickup is not permitted in Palmas del Mar Homeowners Association.

8.3. Palmas del Mar Homeowners Association landscape debris pickup at Palmas del Mar Homeowners Association designated neighborhood locations is a service provided for use by Owners or Tenants only (not for use by commercial contractors), for debris that Owners or Tenants collect from their Property. Deposit of landscape debris at locations not designated by Palmas del Mar Homeowners Association is prohibited. Permitted items in the debris drop off sites include palm fronds, leaves, sticks, small trees, branches and other vegetative debris. Tree trunks or branches must be under 6 inches in diameter. Debris left at pickup locations shall not be bagged. The dumping of trash or garbage of any kind, such as paper, plastic, metal, concrete, building materials, food waste, or pet waste is strictly prohibited. Inappropriate disposal is a violation of law regarding littering, garbage, and trash, and/or health and sanitation and subject the Owner to fines.

8.4. Pet waste shall be picked up and properly disposed of in trash receptacles. No pet waste or pet waste bags may be disposed at Palmas del Mar Homeowners Association landscape debris pickup locations.

9. Vehicles

9.1. Short term renters and guests of short term renters are only permitted to park Vehicles in the garage, carport or on the driveway of the rental property. Parking is not permitted on any

landscaped surfaces including the front, back or side yards. Parking is strictly prohibited at any common usage roads, and will be enforced with the assistance of the Municipal and State Law Enforcement Agencies.

9.2. Junked, wrecked or abandoned motor vehicles are not allowed to be parked, stored, or kept on any Property visible from any public or private street, right-of-way, or adjacent Property. This includes vehicles not being used for their original purpose or which are incapable of being used, as well as those that have been destroyed, badly damaged, or which are in a state of disrepair. Any such vehicle present on a Property shall be stored in a closed garage or in a carport so as not to be visible from the street, right of way, or neighboring properties. Violation of this rule may also be a violation of law regarding junked, wrecked or abandoned vehicles.

9.3. Only neutral earth-tone colored (one color; no pattern) car covers are permitted for protecting operative motor vehicles or golf carts. Such covers shall be secured to the vehicle and maintained in good condition. No more than one (1) covered vehicle is allowed per Property. Concealment of junked, wrecked, immobile or abandoned vehicles with a car cover is prohibited.

9.4. Motorcycles, mopeds, and any motorized or battery-assist scooters or cycles of any kind shall be stored out of sight in an enclosed garage. Contact the local authorities for a listing and regulations of vehicles approved for operation within Municipal and State roads. Palmas del Mar Homeowners Association maintains golf cart paths, under a contract agreement with all users. Unregistered Golf Carts are not authorized to transit, use, park within the Palmas del Mar Homeowners Association Golf Cart Paths or common use property.

B. Community Standards Enforcement

1. Property Inspections

1.1. The Community Standards Officer routinely travels through Palmas del Mar Homeowners Association to identify Properties that fail to comply with the Community Standards Rules and Regulations. Additionally, any Regime Administrator, Property Owner, Tenant, or Palmas del Mar Homeowners Association staff member may report an alleged violation of the same to the Community by phone at (787) 656-5662, or by email at PHACommunityStandards@gmail.com. The Community Standards Officer shall investigate all such reported Properties. The Community Standards Officer may request Property inspections by the applicable government agency, including but not limited to agencies referenced in the Community Standards Rules and Regulations, for possible violation of law.

1.2. A condition that fails to conform to the Community Standards Rules and Regulations is deemed a Community Standards Violation. A Property judged to be in violation by the Community Standards Officer is an "Identified Property".

2. Community Standards Violation Notices

2.1. Community Standards Violation Initial Notice. If a Community Standards Violation is found, the Community Standards Officer shall notify the Owner of an Identified Property in writing, describing the Community Standards Violation(s), specifying a deadline for Community Standards Violation resolution, and stating the applicable monetary fine and enforcement actions (the "Initial Notice"). The Initial Notice also

informs the Owner of their right to contest the validity of the Community Standards Violation by appeal (refer to Part II Section B.4) or to request an extension of the remediation timeline (refer to Part II Section B.5).

2.2. Community Standards Violation Second Notice. A Community Standards Violation Second Notice (the "Second Notice") shall be issued to the Owner by the Community Standards Officer if the Community Standards Violation remains unresolved after the remediation deadline stated in the Initial Notice, or as per an approved timeline extension. The Second Notice specifies a deadline for full remediation, and states the applicable fine and enforcement actions. The Second Notice also informs the Owner of their right to request an extension of the remediation timeline (refer to Part II Section B.5).

2.3. Community Standards Violation Third and Subsequent Notices. A Community Standards Violation Third Notice (the "Third Notice"), and all subsequent notices, shall be issued to the Owner by the Community Standards Officer if the Community Standards Violation remains unresolved after the previously issued Notice deadline, or as per an approved timeline extension. Such Notices again specify a deadline for full remediation, cite the applicable fine and enforcement actions, and inform the Owner of their right to request an extension of the stated remediation timeline (refer to Part II Section B. 5).

3. Community Standards Violation Resolution. The Community Standards Officer shall perform a final inspection of the Property once the Owner notifies the Community Standards Officer that the Community Standards Violation(s) have been remediated, or alternatively, after the remediation deadline (or the applicable timeline extension deadline). If the Community Standards Violation remediation is verified, the Community Standards Violation shall be documented as RESOLVED. The official Community Standards Violation resolution date shall be the date of the final inspection. Upon request to the Community Standards Officer by the Owner, the Community Standards Officer shall provide a written Community Standards Violation Resolution Notice (a "Violation Resolution Notice") to the Owner, documenting the full remediation of the Violation as verified by Community Standards Officer inspection.

4. Community Standards Violation Appeal

4.1. Appeal Submission. An Owner in dispute of the validity of a Community Standards Violation in an Initial Notice may appeal to the Palmas del Mar Homeowners Association President. The Community Standards Appeal is to be submitted in writing to the Palmas del Mar Homeowners Association President at 5 Academy Drive, Humacao, PR 00791 or by email to phacommunitystandards@gmail.com. Community Standards Appeals are to be postmarked or emailed no later than fifteen (15) calendar days from the date of the Initial Notice, excluding federal holidays. A delay may waive the Owner's right to appeal.

4.2. Appellate Process

4.2.1. If so desired, the Owner, and/or their representative (as designated in writing to the Palmas del Mar Homeowners Association President by the Owner), may appear

before the Palmas del Mar Homeowners Association President in person if they so request when requesting a review of the Community Standards Violation.

4.2.2. At the appellate meeting, the Palmas del Mar Homeowners Association President shall consider Property photos, statements by the Community Standards Officer, any relevant documentation, as well as the Owner's written appeal. If present, the Owner (and/or their representative) shall be provided the opportunity to state their concerns. Once the Palmas del Mar Homeowners Association President has reached a decision regarding the appeal, the Owner will be informed of the decision in writing.

4.2.3. If the Palmas del Mar Homeowners Association President denies the appeal, the Initial Notice Community Standards Violation will stand. The timeline for remediation stated in the Notice will apply, with day (1) of the remediation timeline falling on the next business day after the appeal decision. If the Owner continues to dispute the validity of the confirmed Community Standards Violation, the Owner may submit their request for further appeal in writing to the Palmas del Mar Homeowners Association Board within thirty (30) days.

4.2.4. If the Palmas del Mar Homeowners Association President or Palmas del Mar Homeowners Association Board upholds the appeal, the record of the Community Standards Violation Initial Notice will be marked resolved by appeal.

5. Community Standards Violation Timeline Extension Request

5.1. Request Submission. The Owner may request a timeline extension for Community Standards Violation remediation. The written Timeline Extension Request shall include a proposed timeline with detailed target dates for remediation completion, and justification for the requested timeline extension. The Timeline Extension Request shall be submitted in writing to the Community Standards Officer at 5 Academy Drive, Humacao, PR 00791, or at phacommunitystandards@gmail.com. Time Extension Requests are to be postmarked or emailed no later than fifteen (15) calendar days from the date of the most recent Community Standards Violation Notice, excluding federal holidays.

5.2. Community Standards Violation Timeline Extension Review Process. The Community Standards Officer is authorized to review and approve Timeline Extension Requests. If the Community Standards Officer approves such a request, the proposed timeline extension will apply. The Community Standards Officer may deny such a request for any reason. The Community Standards Officer shall provide a written response of this decision to the Owner.

6. Owner Notification Process. Written communications referred to in Part II Section B, including Community Standards Violation Notices, Community Standards Violation Resolution Notices, and Community Standards Appeal decisions, shall be sent to the Owner's address as listed in within Humacao tax records and/or Palmas del Mar Homeowners Association files; in addition, a copy shall be sent by email to the address on file with Palmas del Mar Homeowners Association, if any. Written Timeline Extension Request decisions shall be sent to the Owner's address and/or to their email address, if any, on file.

7. Community Standards Violation Fines. A Schedule of Fines for Community Standards Rules and Regulations Violations are delineated in Exhibit A.

PART III. ANNUAL RENTAL REGISTRATION PROGRAM

1. **Registration.** Effective January 1, 2025, any Member of Palmas del Mar Homeowners Association that rents or leases any Residential Property must first register such rental property (herein a “Rental Property”) with Palmas del Mar Homeowners Association. There will be an annual registration fee (“Rental Registration Fee”), the amount of which shall be determined and published prior to the first day of each year by the Palmas del Mar Homeowners Association Board of Directors. These fees will be used to increase and enhance the security, maintenance, and Community Standards management services, the need for which is in large measure due to the continued growth in the number of Residential Properties being held for renting or leasing. The Rental Registration Program Fee will not change within the year in which is being enforced.

2. **Rental Registration Fee.** For calendar year to commence 2025, the Rental Registration Program Fee shall be based on the number of bedrooms advertised as available for rent or lease in the Rental Property, as follows:

- a. For 1 or 2 bedroom properties: \$500
- b. For 3 or 4 bedroom properties: \$750
- c. For properties with 5 or more bedrooms \$1,000

3. **Enforcement of Fee Obligations.** Failure by a Member engaging in rental of a Rental Property to pay the Rental Registration Program Fee may result in the Member’s loss of certain privileges, the imposition of fines, and the filing of liens against the applicable Residential Property, in each case as more particularly determined from time to time by the Board of Directors and published in these Community Standards Rules and Regulations.

EXHIBIT A

FINES SCHEDULE FOR VIOLATIONS OF THE COMMUNITY STANDARDS RULES AND REGULATIONS

SCOPE. This schedule of monetary fines (the “Fines Schedule”) applies to Community Standards Violations of the Community Standards Rules and Regulations detailed in Part II Section A of the PALMAS DEL MAR HOMEOWNERS ASSOCIATION COMMUNITY STANDARDS RULES (the "Community Standards Rules and Regulations").

VIOLATION CATEGORY. The Fines Schedule is subdivided into four (4) Violation Categories ("Categories"). These Categories are specific for those referenced Community Standards Rules and Regulations within the Scope. The referenced Community Standards Rules and Regulations listed within each Category are described using keywords and phrases; the reader is advised to refer to the actual Community Standards Rules and Regulations for complete wording.

REMEDICATION DEADLINE. For each Category, a standard remediation deadline of thirty (30) calendar days from the date of the Community Standards Violation Notice shall apply. The Community Standards Officer reserves the right to issue an immediate "Cease and Desist" order, and/or to adjust this deadline for situations requiring more urgent action. The applicable deadline for a given Community Standards Violation is that stated in the most recent Community Standards Violation Notice, or in a written response to an approved Community Standards Violation Timeline Extension Request. Deadline timelines exclude federal holidays.

VIOLATION FINES. Monetary fines shall be assessed for Community Standards Violations as indicated below. As shown, the Initial Notice for a few Categories shall include an immediate fine, others shall result in an Initial Notice with no fine (a warning notice). For all Community Standards Violations, fines shall be assessed for Community Standards Violations not fully resolved after the deadline specified in the most recent Community Standards Violation Notice, or in a written response to an approved Community Standards Violation Timeline Extension Request. Delays in Community Standards Violation remediation beyond the applicable deadline shall result in cumulative (additional) fines, according to the Fines Schedule. Fines are not assessed on federal holidays.

RESOLVED VIOLATIONS. Fines shall continue to accrue until the Community Standards Violation is deemed RESOLVED by the Community Standards Officer. The Owner is advised to contact the Community Standards Officer by phone at (787) 656-5662 or by email at phacommunityStandards@gmail.com when the Owner has fully remediated an Community Standards Violation, so a final inspection by the Community Standards Officer can be performed to verify such resolution. All fines accrued prior to the official Violation Resolution Date shall remain due in full. No cancellation or reduction of fines shall apply for full or partial remediation.

RECURRENT VIOLATION FINES. For previously resolved Community Standards Violations that reoccur three (3) or more times in a twelve month period, more aggressive fines may apply, in which the Community Standards Violation Initial Notice fine is as per that of a Second Notice; Third Notice fines, and all subsequent fines, are doubled.

FINE PAYMENT. Payment in full is due to Palmas del Mar Homeowners Association within thirty (30) days of the Community Standards Violation Notice fine statement. A delay in payment may result in an interest fee. Payment instructions are provided in the Community Standards Violation Notice.

COMMUNITY STANDARDS VIOLATION CATEGORIES AND FINES

CATEGORY	FINES AND APPLICABLE Community Standards RULES AND REGULATIONS (Reference Part II, Section A)
1	<p>Initial Notice: \$0 (warning notice) Second Notice: \$75 Third Notice: \$150 Subsequent Fines: \$30/day (M-F)</p> <p>Applicable Community Standards Rules and Regs 7.1 Overall Appearance: Mailboxes, street number signs 7.2 Overall Appearance: Garage doors 8.2 Trash and Debris: Trash cans</p>
2	<p>Initial Notice: \$0 (warning notice) Second Notice: \$100 Third Notice: \$200 Subsequent Fines: \$40/day (M-F Per Acre)</p> <p>Applicable Community Standards Rules and Regs 1.2 Development: Failure to meet PHA ARB deadlines 2.1 Development Maintenance: Buildings, Fencing, Hardscape 2.2 Development Maintenance: Boat docks, piers, seawalls, bulkheads 2.3 Development Maintenance: Pools, ponds, fountains 3.2 Landscaping: Failure to meet PHA ARB deadlines 4.1 Landscaping Maintenance, Developed Property: Lawns, bushes, bedded areas 4.2 Landscaping Maintenance, Developed Property: Vegetative debris 4.3 Landscaping Maintenance, Developed Property: Ground cover 5.2 Landscaping Maintenance, Undeveloped Property: Vegetation 5.3 Landscaping Maintenance, Undeveloped Property: Fallen Leaves/trees 6.1 Landscaping Maintenance, General: Trees 7.4 Overall Appearance: Laundry, household items, sports equipment 7.5 Overall Appearance: Structurally permanent yard toys, tents, items in or on trees 7.6 Overall Appearance: Outdoor furniture, lawn accoutrements, flags/banners, signage</p>

	<p>7.7 Overall Appearance: Exterior lighting (PHA ARB approved); Holiday/celebratory decorations and lighting</p> <p>8.1 Trash and Debris: Trash containment and disposal</p> <p>8.3 Trash and Debris: Disposal at Palmas del Mar Homeowners Association debris pickup locations</p> <p>8.4 Trash and Debris: Pet waste</p> <p>9.1 Vehicles: Parking off hardscape</p> <p>9.2 Vehicles: Junked, wrecked, abandoned vehicles</p> <p>9.3 Vehicles: Car covers</p> <p>9.4 Vehicles: Storage of other motorized vehicles</p>
3	<p>Initial Notice: \$250 (Warning notice/penalty) Second Notice: \$500 Third Notice: \$1,000 Subsequent Fines: \$200/day (M-F Per Acre)</p> <p>Applicable Community Standards Rules and Regs</p> <p>1.1 Development: Failure to obtain proper permits</p> <p>1.3 Development: Failure to meet PHA ARB specs</p> <p>1,3 Development: Property Abandonment (Residential and/or Lot)</p> <p>3.1 Landscaping: Failure to obtain proper permits</p> <p>3.3 Landscaping: Completed work fails to meet PHA ARB specs</p> <p>5.1 Landscaping Maintenance, Undeveloped Property: Unapproved structures on site</p>
	<p>7.3 Overall Appearance: Palmas del Mar Homeowners Association right-of- way</p>
4	<p>Initial Notice: \$500 (warning notice/penalty) Second Notice: \$ 1,000 Third Notice: \$1,500 Subsequent Fines: \$300/day (M-F Per Acre)</p> <p>Applicable Community Standards Rules and Regs, Part II, Section A</p> <p>6.2 Landscaping Maintenance, General: Damage to critical environments</p>