

BYE-LAWS OF THE COMMUNITY OF OWNERS OF
CASARES DEL SOL PM-4

Chapter I. -----

Article 1.- Limitation.- The present Bye-Laws regulate, from the moment they are approved, the horizontal property of the URBANISTIC COMPLEX BUILT ON PLOT NUMBER ONE, WHICH FORMS PART OF SECTOR UR-7B OF THE SUBSIDIARY NORMS OF THE MUNICIPALITY OF CASARES, IN “EL PERTIDO DE CORTESÍN”, IN THE MUNICIPALITY OF CASARES, consisting of various blocks of apartments, garages and utility rooms, under the protection of the law of 21 July 1960.-----

Article 2.- Rules of Application.- These Bye-Laws regulate, by authority of the Law of Horizontal Property Law, or, failing that, by the Civil Code. As these Bye-Laws, affect the rights of the proprietors, actual or future, they are of significant importance, and thus, it is requested that they be registered in the Land Registry. -----

The Community of Owners will be able to approve a Regime of Internal Regulation binding on all members of the Community. -----

Article 3.- Domicile.- For service of all documents, and judicial or extra judicial notifications, every owner must designate an address in Spain, notifying it to the President of the Board. In case of failure to do so it will be understood that the address is that of the apartment, or, in the case of an owner with more than one apartment, the address of any of them. -----

Article 4.- Duration.- These statutes remain in effect indefinitely unless the owners unanimously decide otherwise by means of a public deed.-----

--

Chapter II. -----

Article 5.- Description of the common areas.- Common Areas will be all those that do not belong exclusively and privately to each co-owner and serve the common interest of all, specially the following:-----

- a) The ground, subsoil and airspace where the buildings are set, to the limits set by property ownership rights, laws and regulations. -----
- b) The foundations, throughways, walls, trenches, facades, supporting walls and dividing walls. -----
- c) The channelling, conduits and the services, electricity, drinking water, rain water and sewage. -----
- d) The collective aerials, ordinary or satellite, television and FM radio networks. ---

- e) The gardens and swimming pools. -----
- f) The stairs, lifts, entrances, corridors and landings and transit ways of the blocks. -----

The following are considered common services, without character limited. -----

- The cleanliness, caretaking, security, lighting, upkeep, use and maintenance of the accesses, staircases, trees, green zones, swimming pool and in general every common part of the block and its surroundings. -----

- The removal of rubbish, although every owner is under obligation to deposit it in the designated area. -----

Article 6.- Use and service.- Any proprietor may demand that the common elements and services are in perfect condition of usage and service and that they may make use of them

within the limits established by Law and in these Bye-Law, always provided that they do not interfere with the rights of other owners to use and enjoy the same. -----

Article 7.- Expenditure and improvements.- Expenditure and necessary or desirable improvements require the approval of the board of management. This includes improvements which will make life easier, and/or extract better usage out of common assets or services always providing that it does not affect the security, decorative appearance or stability of the building.-----

Article 8.- Third party responsibility.- The third party claims springing from the blocks as a whole will be shared between all owners based upon their coefficient of ownership of the co-owned property.-----

A third party claim arising from the negligence of a single owner or occupant of an apartment is the sole responsibility of said owner or occupant. -----

Article 9.- Insurance.- Each one of the block and all the common areas must be insured against all class of risk, without prejudice to the right of each proprietor to insure his own apartment with the company and in the manner that he considers most appropriate.-----

The board of management will designate the insurance company to insure the blocks and common parts and will decide on the capital value to be insured. -----

Chapter III. -----

Article 10.- Privacy of each owner.- Each proprietor is the owner of his own private apartment by right with all the elements and installations within it's limits, consequently he has the ability to dispose of it at the time, in the manner and for any reason he sees fit, with no limitations. -----

Every apartment has an inherent and inseparable right, together with all the other co-owners, in the common elements and services. Such rights can only be disposed off together with the apartment and they cannot be divided. -----

In the description of each apartment a double fee is fixed: one to cover all the expenses originating from the block to which it belongs and the second which determines the ownership quota (coefficient) in the common elements and overheads of the entire complex. These quotas can only be changed by unanimous decision of all of the owners as allowed for in Article 17 of the law. -----

Article 11.- Use and enjoyment.- Every proprietor has the full right to use his property as he sees fit, with no further limitation than that established by the Law, by these statutes or by an agreement taken by the board of management. -----

Prohibited: -----

- a) Any activity that is not supported by the appropriate municipal license or that contravenes local municipal decrees in force in the area. -----
- b) To alter the present openings in the external walls or facades or create new ones.

- c) To mount advertisements or banners on the external walls. -----
- d) To hang washing on the terraces or external windows. -----
- e) To decorate or place ornaments on the external walls, the objective being to maintain the uniformity of style. -----
- f) To exhibit on the exterior walls objects or things that could affect the aesthetic appearance of the buildings. -----
- g) To install awnings and sun shades different to those established by the community. -----

- h) To install in the dwellings machines or motors not appropriate for normal domestic use. -----

- i) To have in the property dangerous or strong smelling products. -----

- j) To install radio aerials, or ordinary or satellite TV aerials that do not belong to the community. -----
- k) To block off the garage spaces with chains or other any other means. -----
- l) DOGS: Pets are not allowed in the complex, either for residents, owners or tenants.

Breaching any of these prohibitions, will lead to action being taken, in particular that established in Article 7 of the Horizontal Property Law, with the objective of reestablishing or imposing all that has been agreed upon. -----

Article 12.- Ownership.- Each apartment may have one or more owners. If an apartment is in multi-ownership then one person must be designated to execute all the rights and will respond singularly to all the obligations corresponding to the property. -----

Article 13.- Building and alterations.- Each proprietor is free to build or make alterations to their apartments as they wish, as long as these works does not affect the common areas, alter the external appearance of the buildings or contravene the terms established in Article 7 of the Law. -----

Every owner is obliged to carry out, at their own cost and without delay, all necessary repairs, ordinary or extraordinary, in their own property, to avoid damage to the common elements and or other apartments. -----

Article 14.- Damage.- If as a result of broken pipes, damp, open taps, improvements, repairs or any act of malicious intent or negligence, damage is caused to the common areas or another apartment, the owner of the apartment causing the damage is obliged to rectify the damage and make good at his own expense. Failure to do so will result in the Administrator or President of the Board arranging the necessary work but he (the owner causing the damage) will be obliged to pay. -----

If the apartment belongs to various persons, all of them will be collectively responsible for pending debts related to common areas and private property as well as expenditure incurred in carrying out repairs as referred to in the previous clause. --

The Administrator and the President are explicitly authorized to enter private property in case of urgent need in the circumstances described above, even if the damage was caused fortuitously. -----

Article 15.- Communal Expenses & Taxes.- Each proprietor is obliged to pay into a common fund, at the time and in the manner fixed by the board of the Community, the amount designated in the budget for foreseeable expenditure for the next financial year, in accordance with his coefficient of participation in the Community. -----

It is also the case that proprietors are obliged to pay their proportion of communal expenditure incurred by extreme causes. Such payments will have to be made by standing order. -----

Article 16.- Repairs.- Persons causing damage and/or deterioration by malicious intent or negligence are required to immediately repair the damage at the own expense. -----

The Board are empowered to have the repairs carried out and charged to the person responsible for the damages, where repairs are not started within the forty eight hours of having been asked to do so, not progressing with reasonable speed or have not been carried out to the satisfaction of the Board. ----- **Chapter IV.** -----

Article 17.- Organs of the Community.- Communal interests are governed by The Meeting Of Proprietors. -----

Article 18.- The Meeting of Proprietors. Competence.- The Meeting of Proprietors is the supreme and sovereign body responsible for the communal interest and is competent in all

matters provided for in the Law Horizontal Property, special laws such as specified in these Statutes and every item legally agreed in future meetings. ---

Article 19.- Meetings. The calling of meetings & agreements.- The meeting of proprietors must take place at least once a year, to approve the budget and the accounts for the following year, those of the previous financial year, and to deal with any other matters of common interest. -----

The meeting will be called by the President. -----

The notification of the meeting will be in writing and the following must be mentioned:-

- 1.- The venue, the day and the time where the meeting will take place. -----
 - 2.- The matter or matters to be discussed. -----
- The meetings can be held any day, working day or not, with a view enabling as many owners as possible to attend. -----

The notification of the meeting will be done in writing detailing all the above points, at least fifteen days prior to the date, for both Ordinary Meetings or Extraordinary Meetings. -----

Article 20.- The President of the Board.- The proprietors will elect a President with powers allowed by law, in particular the following ones: -----

- a) To represent the Community judicially or extra judicially, in matter of interest and especially in matters of litigation, functions and other events. -----
- b) To call a meeting of the Proprietors when he feels fit and to preside over such meeting. -----
- c) To execute or order the execution of the agreements reached by the Meeting of Proprietors. -----
- d) To be a signatory and to act in the name of the Community in all manner of banking transactions. -----

Article 21.- Secretary – Administrator: The Meeting of the Proprietors will elect a Secretary - Administrator, who will have the authority conferred on him by the law, by these Statutes or by future agreements. -----

The position will be remunerated, in the form and manner agreed by the Meeting of Proprietors, and is not open to a property owner in the urbanization. -----

Article 22.- Books and documentation.- All the books and documentation are under the immediate control and custody of the Secretary - Administrator. -----

They may be examined and consulted, subject to reasonable guarantees, by any of the proprietors. -----

Likewise any member of the community can obtain certificates of the agreements drawn up by the Secretary - Administrator always with the approval of the President. -----

Article 23.- Posts of President and Vice President.- The post of President, will be granted for periods of one year, the Meeting Of Proprietors having the authority to remove him at any time during his mandate, -----

The same applies to the Vice President, if elected it will be for periods of one year. -----

Both of them are required to be proprietors of at least one property in the Community. -----

Chapter V. -----

Article.- Accounts Books.- The Board will order that the necessary Accounts Books be kept for a better administration, registering all payments in and out in them. -----

Article 25.- Common deposits and expenses.- Deposits are all those originating from proprietors or common elements or as detailed by laws or agreements made within the Community. -----

Common expenses are all those that will be for the benefit of all and specially those for conservation or repairs and maintenance of the common elements, gardens, security, employees, services, insurance, contributions and general taxes (excluding those that only apply to private property) or other similar items. -----

The contribution for the common expenditure will be done in accordance to the participation coefficient allocated to each dwelling. -----

In case of doubt, the Meeting of Proprietors will determine if a particular matter is of Communal interest or if it relates to a private owner. -----

Article 26.- Bank Account.- At least, one bank account must be opened, a current account The Community of Proprietors. -----

To withdraw funds from the Community's bank account the signature of the President or Vice President and the Secretary - Administrator will be necessary. ----- A cash book will be kept reflecting all the monies going in and out of the account and it will be kept in an orderly manner together with the relevant receipts etc. -----

FIRST ADDITIONAL STIPULATION. - The promotional entity INTERLAKEN S.L., will be able to build terraces on the first floor level, and on top of the floor allocated for garages and their access. In such case, the terraces then built will become a common element but for the sole use of the property to which each of them have been assigned. Such circumstance should be reflected in the public title deed when the first sale is formalized of each of the properties assigned a terrace, stipulating the surface of the terrace. - In these cases, the maintenance costs of the terraces, especially the flooring, will be the responsibility of the property to which the terrace has been assigned. -----