

**ARTICLES OF ASSOCIATION OF THE HOMEOWNERS ASSOCIATION  
OF THE PRIVATE PROPERTY COMPLEX**

**‘TERRAZAS DE LA TORRE, FASE I’**

**TITLE I. GENERAL**

Article 1. Name.

Under the name of "Homeowners Association of the Private Property Complex TERRAZAS DE LA TORRE, FASE I ", a homeowners association is constituted for the estate within the entire scope of PLOT R-1 of the "TERRAZAS DE LA TORRE" Partial Plan, without prejudice to the particular homeowners associations created for the various plots or blocks integrated in this association, which shall be considered as the "GENERAL ASSOCIATION OF THE PRIVATE PROPERTY COMPLEX TERRAZAS DE LA TORRE FASE I".

Article 2. Legislative hierarchy.

The association shall be governed by the provisions laid down in articles 20 4, 5 and concomitant provisions of the Condominium Act 49/1960, dated 21 July, reformed by Act 8/1999, dated 6 April, by the general articles of association of Terrazas de la Torre (which shall have the rank of "level 1" articles) and by these general articles of association of plot R. 1. (which shall have the rank of "level-2" articles) or the legislation by which they are replaced.

The different blocks into which plot R.1 is legally separated also have their own articles of association, which shall be "level 3".

Article 3. Domicile

1. For all intents and purposes, the domicile is set initially at plot TC-19, in which the control point for accessing the complex is located.

2. The General Meeting of Homeowners, with the majority laid down in article 17.3 of Act 49/1960, may adopt the transfer of the domicile to whatsoever location on the Estate or outside the Estate, where the new domicile shall be communicated to all the homeowners and registered in the Property Register.

Article 4. Purpose

The purpose of the association is to regulate the relations of the owners of the property included in plot R.1 of the "TERRAZAS DE LA TORRE, FASE I" complex regarding the indivisible co-ownership of other elements, facilities and common services, as well as to ensure their conservation and maintenance, including certain public infrastructures

and facilities on the estate, and, in particular, the maintenance of the exterior aesthetic conditions of the buildings and the corresponding gardens, as laid down in these articles of association. Similarly, the purpose of the homeowners association comprises the maintenance and conservation of the infrastructures and facilities to be assumed by the owners of the homes on the estate, in accordance with the Partial Plan of the Sector, the Region of Murcia Ground Act 1/2001, dated 24 April, and Royal Decree 3288/1978, dated 25 August, which adopted the Urbanistic Management Regulations. Notwithstanding the foregoing, as already mentioned, these articles of association shall be considered as second-level articles and are therefore subordinate to the general articles of association that govern the entire TERRAZAS DE LA TORRE complex, which shall be considered to be of a higher legislative rank (first level) and therefore shall prevail over and replace the provisions laid down in these articles of association.

#### Article 5. Common elements

The consideration of common elements in the "Homeowners Association of LAS TERRAZAS DE LA TORRE, FASE 1 Private Property Complex" shall apply to the following:

- a) The swimming pools on the complex, with all their installations and complementary services.
  
- b) The roads on the complex that begin and end in the complex itself (those that run through more than one complex shall be future common elements of the General Association of "TERRAZAS DE LA TORRE"), the pavements, green areas, gardens and open spaces that are not configured as strictly private elements in the corresponding declaration of condominium and, in particular, the un-built portions of the residential-collective plots, even though they are integrated in one specific sub-association in the constitution of the complex.
  
- c) The other services and common installations on the estate, such as the public lighting, drains and irrigation installations, rubbish containers and associated mechanisms, etc.
  
- d) The conservation and maintenance services for the complex governed by these articles of Association, as laid down herein.

The Developer, or the replacement thereof, has the right to gradually build on the plots integrated in the complex, declare the corresponding

new building work and, where applicable, proceed with the material or horizontal division, as well as whatsoever modification of mortgage entities, without the consent or knowledge of the homeowners association.

Article 5 b

#### A) ESTHETIC, ORNAMENTAL CONDITIONS AND CONDITIONS OF USE

In order to guarantee the harmony and welfare of the members of the association:

1. Homeowners are expressly obliged not to modify the exterior aesthetic conditions of the buildings. Accordingly, no modifications may be made to the fronts, exterior volumes, used colour or materials, spaces, canopies, roofs or towers. Furthermore, the porches or terraces may not be closed off and TV or radio aerials or whatsoever exterior telecommunication mechanism or other similar element may not be installed. Clothes may not be hung on the fronts of the buildings or on the plot in an area that is visible from the roadways and no posters or signs may be installed, all with regard to the content of the photographs incorporated into the certificate of occupancy.

2. The homeowners expressly undertake not to modify the type, colour and other specifications of the gardens and to take care of the said plots, all with regard to the content of the photographs included in the certificate of occupancy.

3. The association assumes the maintenance of the building fronts, gardens, open spaces and swimming pools on the estate. The fronts shall be maintained at least every five years and the cost shall be charged to the association's funds, for which the corresponding item shall be allocated in the budget over one or more years. The work shall be carried out by virtue of the corresponding contract by and between the association and the company chosen.

4. The homeowners shall use their homes exclusively for permanent or temporary residential use. It is prohibited to carry out whatsoever professional, mercantile or industrial activity in the homes.

5. As well as the restitution, the breach of the obligations assumed by the homeowners in the above sections, shall accrue in favour of the association and on the account of the homeowner committing the infraction a penalty of one thousand euros (€1000) per day from the day on which the breach is committed and until the result is totally returned. The amounts set for the said penalties shall be updated automatically on an annual basis without the need for agreements or whatsoever other formality, applying the percentage variation of the General Consumer Price Index published by the National Institute of

Statistics (or the corresponding replacement body) for the period of 12 months immediately prior to the date on which the variation is applied to the penalty corresponding to the previous year.

6. In order to modify the obligations lay down in the above sections of epigraph A, as it is a modification in an advisory capacity, the express and unanimous consent of the association shall be required at the Homeowners Meeting called especially for the said purpose as laid down in article 17.1 of the Condominium Act. The opposition of only one of the members of the association shall prevent the adoption of the said modification.

## B) COMMON SERVICES TO BE PROVIDED BY THE ASSOCIATION

The association shall provide the common services lay down in the following sections. The frequency and the way in which the following services are provided as laid down by the association shall be mandatory. The said common services shall be provided only by reputable companies that accredit the fulfilment of all the legal requirements for each of the activities, as well as the availability of sufficient material and human means to meet the terms and conditions laid down hereunder.

### **B.1 Security and surveillance**

Without prejudice to the services provided by the municipal police force, the general association of "LAS TERRAZAS DE LA TORRE" shall hire a special surveillance and control service for the security of the entire estate, which shall necessarily meet the following minimum terms and conditions:

- Access control service using an entry barrier and control of registration numbers, with the minimum dedication of one full-time worker for every eight-hour shift with a service 24 hours a day, 365 days a year.
- Surveillance camera control service and perimeter sensors, with the minimum dedication of one full-time worker for every eight-hour shift with a service 24 hours a day, 365 days a year.
- Perimeter patrol car service, with the minimum dedication of one full-time worker for every eight-hour shift with a service 24 hours a day, 365 days a year.
- Service of three additional reinforcement cars from 19:00 to 07:00, 365 days a year, with the minimum dedication of three full-time workers for every eight-hour shift and three part-time workers for every four-hour shift, as well as 3 full-time vehicles and three half-time vehicles for every eight-hour and four-hour shift, respectively.
- An additional reinforcement car service from 07:00 to 19:00 every Saturday, Sunday and public holiday of the year, with the minimum dedication of one full-time worker and vehicle for every eight-hour shift

and one worker and vehicle for every four-hour shift for every day on which the provision of the service is mandatory.

The contribution of the homeowners to the payment of the service shall be proportional to the quotas that correspond to each plot in the general expenses of the complex.

## **B.2 Cleaning.**

The association shall hire (i) a special road and urban furniture cleaning service, (ii) a service for the maintenance of containers and their corresponding systems of use, (iii) a waste collection service, and (iv) a sewer cleaning system in all the non-private areas belonging to the private property complex.

The minimum content of the waste collection service shall necessarily comprise a collection of solid urban waste and the selective collection for recycling for all the containers on the complex, with a minimum frequency of six days a week, as well as a furniture and household goods collection service on all of the days on which the roadways are cleaned. The minimum dedication for the service shall necessarily be two full-time workers and two half-time workers, as well as the required special collection vehicles.

The minimum content of the road and urban furniture cleaning service shall necessarily comprise the vacuuming and hosing down with tankers of streets, pavements and pedestrian areas with a minimum frequency of six days a week and a minimum dedication of two full-time workers, as well as the necessary machinery and special vehicles. It shall also include the manual sweeping and blowing of the areas in which vacuuming is not possible, the emptying and cleaning of rubbish bins, the cleaning of post-boxes, underground containers and other urban furniture, as well as the removal of graffiti and posters with a minimum frequency of six days a week and a minimum dedication of two full-time workers, as well as the necessary machinery.

The regular container cleaning service shall necessarily comprise a minimum of twenty-four cleaning operations per year for all the rest and twelve cleaning operations per year for all the selective containers, with the minimum dedication of one half-time worker and a special vehicle necessary for each cleaning service.

The sewer cleaning service shall be provided at least once a year.

The contribution of the homeowners to the payment of the service shall be proportional to the quotas that correspond to each plot in the general expenses of the complex.

## **B3. Gardens**

As part of its obligations regarding conservation and maintenance, the association shall hire a special maintenance service for the common garden areas, which shall be provided in accordance with the following

minimum terms and conditions:

- a) Scarification and annual autumnal resowing of boulevards, plazas, roundabouts and access areas to the complex.
- b) Two annual pruning operations of each of the different tree species in the complex, except for the palm trees, which shall be pruned on a quarterly basis.
- c) Monthly dry-mowing of all the lawn areas on the property complex, with the daily frequency necessary for maintaining the height of the lawn on boulevards, plazas, roundabouts and access areas to the complex between fifteen and seventeen millimetres in spring and summer and twenty-five millimetres during the rest of the year, as well as twenty-five millimetres in the spring and summer months and thirty-five millimetres during the rest of the year in other common gardened areas and in the private gardens visible from the roadways of the property complex. The service shall also guarantee the mowing of each plot and a minimum of three mowing operations per plot per month.
- d) Collection of lawn and daily washing of mowers.
- e) Fertilisation service for green areas using liquid and crystal organic irrigation through the irrigation system, with a minimum provision of 500 fertiliser units a year and a monthly provision of micronutrients using organic irrigation machinery.
- f) Monthly application of herbicides combined with weeding operations on each of the green areas on the complex. g) Monthly plague and disease control treatment during the three summer months on each of the green areas on the complex.
- h) A minimum of two clipping operations per year, four fungicide treatments, three insecticide treatments and one graminicidin treatment during the corresponding periods on all the bushes.
- i) A minimum of two cutting-down and levelling operations for the hedges and one herbicide treatment, as well as one insecticide treatment a month during the summer months, four fungicide treatments every three months and one healing fungicide treatment after each cutting-down operation.

The contribution of the homeowners to the payment of the service shall be proportional to the quotas that correspond to each plot in the general expenses of the complex.

#### **B4. Surveillance of community swimming pools**

For each of the community swimming pools on the property complex, the association shall hire the following:

- i) The swimming pool surveillance and life-saving services required for

safety purposes, with a minimum of one lifesaver per set of swimming pools next to each other.

ii) The maintenance and cleaning services necessary for the use of the said facilities shall be in accordance with current legislation at any given time.

The contribution of the homeowners to the payment of the service shall be proportional to the quotas that correspond to each plot in the general expenses of the complex.

### C) PETS

1. Potentially dangerous pets are prohibited as per Act 50/1999, dated 23 December, and Royal Decree 287/2002, dated 22 March, as well as those expressly considered dangerous by agreement of the Homeowners Meeting.

2. With regard to pets, considered as such legally or by restriction of the regulations, those declared as such by agreement of the Homeowners Meeting shall be identified through the implantation of a transponder (microchip) and shall be on a leash or chain of less than two meters when they are on the roadways or in common areas or on the homeowner's plot visible from the said roadways or common areas, where the said homeowner shall be responsible for whatsoever upset or dirt caused by the said pets. They shall not be allowed to make noise of whatsoever kind (barking, meowing, etc.) that is occasionally or repeatedly (in the opinion of the Homeowners Meeting) annoying or higher in volume than the provisions laid down in section D) hereunder.

3. Their owners shall take out insurance policies with a reputable company under the terms and conditions laid down by the Homeowners Meeting.

4. Besides the legal requirements applicable to pets (including the municipal bylaw of the Town Hall of Sucina (Murcia), Decree of 31 January 2000), the association shall keep a register of the pets, with their corresponding identification and indication of their owner. The Homeowners Meeting may limit the number of pets per owner by virtue of the quorum laid down in article 17.3 of Act 49/1960.

### D) NOISE

Homeowners are prohibited from making noise of over thirty (30) dB, except for the hotel and commercial area, which may exceed the said limit on specific occasions.

### E) INSTRUMENTS OF THE ASSOCIATION

For the fulfilment of its purposes and objectives, the association may:

- a) Ensure the appropriate use of the common and dominium assets and assets of public use on the estate of plot R-1 of the TERRAZAS DE LA TORRE Partial Plan, guaranteeing and requiring the fulfilment of the rights and obligations of the members of the association.
- b) Distribute the expenses of the association among all the members thereof in accordance with their corresponding quota of participation as per the deed of constitution of the complex and the agreements of the Homeowners Meeting.
- c) Adopt the measures and exercise, where applicable, the corresponding actions with regard to the members of the association or third parties to require the appropriate fulfilment of the obligations undertaken by virtue of their belonging to the association or by actions or omissions that affect the common interests.
- d) Acquire, possess and transfer chattel goods and fixed assets, sign all kinds of contracts and administer the assets, expenses and income required to fulfil the purpose of the association.
- e) Create a reserve fund whose ownership corresponds for all intents and purposes to the association, allocated with an amount that shall not be lower than 20% of the last annual budget under whatsoever circumstances.
- f) Manage and protect common interests before whatsoever public authority and individuals with regard to all the legal acts, contracts, actions and appeals that may be necessary.
- g) Exercise whatsoever activities and legal rights that may be appropriate for the better fulfilment of the association's purpose and for the benefit of the association and the members thereof.

#### Article 6. Action area

The action area is constituted by the scope of the plot R-1 of the TERRAZAS DE LA TORRE Partial Plan, where its members join the association on the delivery of the buildings and plots.

#### Article 7. The association and the urbanistic conservation entity

The homeowners association shall form part of the collaborating urbanistic conservation entity that may be created for the maintenance and conservation of the public infrastructures and furnishings integrated in the General Complex of "TERRAZAS DE LA TORRE", in accordance with the provisions laid down in applicable town-planning legislation.

Given the overlap of obligations corresponding to the owners of the

homes and plots included in the scope of plot R-1 of the TERRAZAS DE LA TORRE Partial Plan as a result of the civil and town planning legislation, the scope of action of the homeowners association includes the urbanistic obligations regarding the maintenance of furnishings and infrastructures imposed on owners by virtue of plot R-1 of the TERRAZAS DE LA TORRE Partial Plan, in accordance with the provisions laid down in Ground Act 1/2001 of the Region of Murcia, dated 24 April, and the Urbanistic Management Regulations and bylaws of the Partial Plan of the TERRAZAS DE LA TORRE Sector. Consequently, the homeowners association shall assume the fulfilment of the said obligations and shall be obliged to maintain and conserve the furnishings and infrastructures listed in article 5 and following of these articles of association.

#### Article 8. Term.

The duration of the homeowners association shall be indefinite. So that the association can be dissolved, the unanimous and express agreement of the association adopted by the Homeowners Meeting called especially for the said purpose shall be necessary. The opposition of only one of the members of the association shall prevent the provision of the said consent.

## **TITLE II. PERSONAL AND REAL ELEMENTS**

### Chapter 1. Members of the association: rights and obligations

#### Article 9. Members of the association

1. It shall be mandatory for all the owners of singular and exclusive rights over specific areas susceptible to independent use to form part of the association.

2. The owners of each block shall be represented at the General Homeowners Association Meetings by their Chairman, without prejudice to their right to appoint another person other than their Chairman, at a meeting, to represent their particular association for the said purpose.

3. By virtue of a notary document, the co-owners of a private element acting as homeowners shall designate one single person with sufficient powers to exercise the corresponding rights, where they shall all jointly respond to the association for whatsoever obligations resulting from their condition. Should they not designate a representative in the term indicated by the Chairman, the Chairman shall appoint the said representative from among the co-owners and inform the said co-owners. When the property is owned by minors or persons with limited capacity, the said minors or persons with limited capacity shall be represented by their legal representatives.

4. The association shall keep a homeowners register in which they shall write the personal details of the owner or owners, the property system, the representatives of each homeowners association in the general association and, in the case of companies or associations of whatsoever kind, the details of the corresponding representative. The register shall keep a record of the transmissions, constitutions, modifications and extinctions of rights governing the property owned by the members of the association.

#### Article 10. Rights

The members of the association shall have the following rights:

- A) To use and enjoy the elements of common property, as well as the public and private furnishings and infrastructures of the estate, with the formalities and requirements laid down in these articles of association or by the Homeowners Meeting.
- B) To enjoy the benefits laid down in the legislation governing the condominium system and other applicable laws.
- C) To attend the Homeowners Meetings through their representative, where applicable, and intervene in the adoption of agreements in proportion to their respective participations in the association.
- D) To intervene, where applicable, as electors or candidates in the designation of the governing bodies.
- E) To make whatsoever proposals to the governing bodies of the association it considers appropriate for the better fulfilment of the purpose thereof.
- F) To be notified of the agreements adopted by the Homeowners Meeting at the address designated accordingly in fulfilment of the provisions laid down in article 11 E) of these articles of association.
- G) To be informed, as required, of whatsoever activities that may affect the association.
- H) To appeal against agreements adopted by the Homeowners Association in accordance with the provisions laid down in the legislation governing the condominium system and other applicable laws.
- I) To receive, in the event of the dissolution and liquidation of the association and in proportion to their respective quotas of participation, the part of the assets thereof that correspond to them.
- J) To present proposals and make suggestions.
- K) Whatsoever rights resulting from these articles of association, legislation governing the condominium system and other applicable laws.

#### Article 11. Obligations

The members of the association shall undertake to the following:

- A) To comply with the obligations laid down in these articles of association, especially those that refer to the aesthetic conditions and to the maintenance of the public and private furnishings and

infrastructures, laid down in articles 5 and 5 b, as well as the agreements adopted by virtue of quorum by the Homeowners Meeting, and to observe the authority of the governing bodies and their representatives, without prejudice to the fitting judicial actions.

B) To accept the designation of members of the governing bodies.

C) To pay the ordinary and extraordinary quotas set by the Homeowners Meeting to satisfy their expenses for the provision, conservation and maintenance of the elements of common property, dominium and public use which correspond to them by virtue of whatsoever obligation or the private property whose maintenance is assumed by the association, especially the maintenance of the fronts of the blocks or buildings, private front gardens and the gardens of common use in the collective building plots, as well as the control and surveillance service under the terms and conditions laid down in sections A) and B) of article 5 b. Accordingly, the Homeowners Meeting shall set the amount corresponding to each plot to be distributed internally according to the corresponding quotas, with the particularities laid down in the aforementioned sections of article 5 b and the provisions laid down in the association's budget under the terms and conditions laid down in these articles of association and in the legislation governing the condominium system.

D) To contribute to the reserve fund in proportion to their quotas of participation.

E) To notify the secretary of the association of an address for notices, which shall be expressly located in Spain, as well as whatsoever variation thereto. In particular, this obligation covers the chairmen or individuals specifically designated to attend the General Meetings of the association by the homeowners associations of the plots that form the complex.

F) To designate a bank account to which the bills issued by the association can be charged.

Whatever the case, whatsoever notice sent to the address recorded in the association register shall be understood as correctly sent and, if no address is designated by the homeowner, though sent to the building and plot owned shall be understood as correctly sent, as shall the notice posted on the association notice board. Should the ownership of the building and plot be transferred, a certificate shall be issued by the secretary of the association certifying that the homeowner is up-to-date with all his obligations with regard to the association before the said transfer. This certificate shall be attached to the transfer document. In addition, the secretary shall also be notified of the name, surnames and domicile of the new owner within the term of 15 days after the transfer. Should the vendor fail to fulfil the aforementioned obligation of notifying the transfer, the association may demand the payment of the quotas corresponding to the building and plot jointly with the new owner, without prejudice to the right of the former to bring a claim for payment against the latter.

G) In the cases of co-ownership, to appoint a person in representation of

the co-owners in the exercise of the rights and the fulfilment of the obligations laid down in these articles of association, without prejudice to the joint responsibility thereof. The representative shall be appointed by the Homeowners Meeting if no agreement is reached between the interested parties on the said appointment or should the said appointment not be made.  
H) To fulfil the obligations laid down expressly in article 9 of Act 49/1960.

## Article 12. Participation in the association

1. The participation of the members of the association in the rights and obligations laid down in the articles of association or which may be adopted in the future, as well as in the adoption of agreements by the Homeowners Meeting, shall be proportional to the quota assigned thereto.

It is hereby determined that the quota allocated to each block or sub-association of the property complex is equal to the coefficient allocated in the deed of constitution of the property complex.

2. For its part, the quota of each independent element in the block and sub-association laid down in the deed of condominium shall determine, in proportion with the quota of the corresponding sub-plot or block in the general association, the quota of each independent element in the general association of the private property complex.

3. The provisions laid down in the preceding two paragraphs shall be understood without prejudice to the particularities laid down in article 5 b of these articles of Association, sections A) and B) and to the maintenance of the public and private infrastructures and furnishings and surveillance and control services of the complex, respectively, which shall be subject to preferential application.

4. Whatsoever modification to the quotas laid down in section 2 above and adopted by the Homeowners Meeting shall be registered in the Property Register.

5. The same system laid down in points 1 and 2 shall apply to the integration of the complex in the collaborating urbanistic conservation entity, where applicable.

## Article 13. . Transfer of ownership

The transfer of the ownership of the buildings and plot by whatsoever deed, which determines the mandatory correspondence to the association, shall necessarily include the subrogation of the buyer to the vendor's rights and obligations, where the former shall be understood as a member of the association as from the moment at which the transfer is completed, in accordance with the provisions laid down in these articles of association. Similarly, the membership of the association of the complex shall

automatically be determined, without the need for whatsoever consent or formality, membership of the urbanistic entity for the conservation of the complex, with all the rights and obligations inherent to the condition of participant, without prejudice to the functions, rights and obligations thereof being assumed by the Homeowners Association.

#### Article 14. Elements of common property

1. In order to fulfil its purpose, the association may acquire, by whatsoever means allowed in Law, all kinds of assets, which shall be considered as elements of common property. When the said assets correspond to property, the said faculty shall be limited to those within the scope laid down in article 6 of these articles of association and used for the service and common utility of the members of the association.

2. The installations and buildings that have been constructed, where applicable, on land owned by the association shall also be considered as elements of common property and their ownership shall correspond to the association.

3. No member of the association may carry out building work on the elements of common property, even though the said work is in the interest of all concerned, without the prior, express authorisation of the Homeowners Meeting. In cases of urgent need, the Chairman of the Association shall decide on the measures to be adopted, without prejudice to its submission for subsequent ratification or reprobation by the Homeowners Meeting.

4. Should whatsoever building work or improvement be carried out without due authorisation, the resulting damages shall be on the exclusive account of the party carrying out the work and, where applicable, the benefits shall correspond to all the members of the association, without the obligation for whatsoever indemnification in favour of the former.

5. All the members of the association and the individuals living with them or permanently occupying the homes or whatsoever property and authorised by the corresponding owners shall have the same rights to use and enjoy the elements of property that may exist in accordance with the purpose thereof. The exercise of this right shall adapt to the provisions laid down in these articles of association and to the agreements validly adopted by the governing bodies of the association.

### Chapter 2. Third-party civil liability and insurance

#### Article 15

1. The civil liability of owners with regard to third parties shall be distributed among the owners in proportion to their quotas in the common property. The liability in the specific case of fraud, liability or negligence attributable to one of the owners shall be attributed exclusively to the said owner.

2. The common property shall be insured against risks by a reputable insurance company and the premiums shall be charged to the common fund, where the corresponding amount shall be distributed among the owners in proportion to their respective quotas. The terms and conditions of the insurance shall be contracted with the highest scope of faculties by the chairman of the association.
3. Each owner may take out an individual insurance or shall become his own insurer in the case of damages whose cause or origin lies in his private property.
4. In case of loss, indemnification paid in accordance with the general policy shall be collected by the administrator and deposited in a bank. Should the loss affect only one part of the property, the indemnification shall be used to repair the affected areas. If the amount is sufficient, the repair shall be carried out on the account of the common funds and if it is higher than the repair cost, the surplus shall be deposited in the entity's cash account.

### **TITLE III. GOVERNING BODIES OF THE ASSOCIATION**

#### **Article 16. Governing bodies**

1. The governing bodies of the Association are as follows:
  - a) The Homeowners Meeting.
  - b) The chairman and, where applicable, the vice-chairmen.
  - c) The secretary.
  - d) The administrator.
2. All the members of the Association shall undertake to comply with the agreements reached by the governing bodies of the association, without prejudice to the corresponding actions and appeals.

#### **Chapter 1. The Homeowners Meeting**

##### Article 17. Nature

The Homeowners Meeting is the supreme body of discussion of the Association and shall comprise the chairmen or individuals specifically appointed for the said intent and purpose by each particular association under the condominium system of sub-plots or independent blocks constituted in accordance with the said system. Consequently, the number of people authorised to attend the General Homeowners Meeting shall be equal to the number of sub-plots or individualised blocks integrated in the complex.

## Article 18. The Ordinary Homeowners Meeting

1. The Ordinary Homeowners Meeting shall meet once a year.
2. During the months of November or December each year, it shall call a session to approve the common management and, where applicable, the report and accounts corresponding to the previous year, as well as the budget for the following year.
3. Whatsoever agreements that come under the competency of the Homeowners Meeting may also be adopted, as long as they are included on the corresponding agenda or the urgency of their hearing and resolution is previously declared in the presence or representation of all the members of the association.
4. Only the matters indicated on the agenda may be considered and resolved, where whatsoever agreement adopted on other matters, where applicable, shall not be valid.
5. The Ordinary Homeowners Meetings shall be held in Spanish with a simultaneous translation into the two main languages of the non-Spanish homeowners.

## Article 19. The Extraordinary Homeowners Meeting

1. Whatsoever Homeowners Meeting other than those indicated in the above article shall be considered as an Extraordinary Meeting.
2. The Extraordinary Homeowners Meeting shall meet when the chairman of the Association considers it appropriate for common interest or when a meeting is requested by one quarter of the homeowners or a number thereof representing at least twenty five percent (25%) of the total participation quotas by means of registered letter addressed to the chairman thereof and indicating the matters to be discussed.
3. The call to the meeting shall be made by the chairman or by those requesting the meeting, indicating the matters to be discussed, the place, date and time on which the meeting is to be held at the first call or, where applicable, the second call, where the calls to the meeting shall be sent as laid down in section E) of article 11 of these articles of association and article 9 of Act 49/1960.
4. Whichsoever homeowner may ask the Homeowners Meeting to study and issue a decision on whatsoever matter of interest for the Association. Accordingly, the said request shall be sent to the chairman in writing and shall clearly specify the matters to be discussed and the chairman shall include them in the agenda of the next meeting.
5. Only the matters indicated on the agenda may be considered and resolved, where whatsoever agreement adopted on other matters, where applicable, shall not be valid.
6. The Extraordinary Homeowners Meetings shall be held in Spanish with a simultaneous translation into the two main languages of the non-Spanish homeowners.

## Article 20. Attendance rights

The Homeowners Meetings may be attended by the chairmen of the associations constituted by the sub-plots of the complex or by individuals specifically designated by the said associations for the said intent and purpose, with the limitations and requirements as laid down in these articles of association. The representation of the homeowners associations of the said sub-plots or blocks of the complex shall correspond to the chairmen of the association of the plot or, where applicable, the person specifically appointed by the corresponding community to represent it at their General Association Meetings. Whatever the case, the number of individuals authorised to attend General Meetings shall be equal to the number of sub-plots on the complex that are considered as private (not common) elements.

## Chapter 2. Competencies

### Article 21. Competencies of the Homeowners Meeting

The following competencies correspond to the Homeowners Meeting:

- A) To approve the report and accounts corresponding to each year.
- B) To approve the budget of each year.
- C) To appoint their chairman, vice-chairmen and secretary.
- D) To approve the execution of extraordinary and improvement work necessary for the fulfilment of the association's purpose, as well as to lay down the economic means required to finance the said work and the form and terms for collecting the contributions from the members as laid down for the said intents and purposes.
- E) To approve the application of special contributions to pay the expenses not anticipated in the annual budget.
- F) To dismiss the chairman, vice-chairmen and secretary before the completion of their corresponding term and to appoint their replacement until the statutory renewal of the said posts.
- G) To approve the modification of the association's articles of association.
- H) To issue a decision on the transfer of the association's domicile in accordance with the provisions laid down in these articles of association.
- I) To hear and decide on all the matters of interest for the association's homeowners.

## Chapter 3. Call to meeting

### Article 22. Call to meeting

The Homeowners Meeting shall be called by the chairman of the Association at least seven days prior to the date on which it is to be held. The call shall be made with indication of the matters to be discussed, the place, date and time on which it is to be held at the first call or, where applicable, the second call, which may be called for the same date and place, as long as at least half an hour has passed since the first call. The calls to the meeting shall be sent in accordance with section E) of article 11 of these articles of association and article 9 of Act 49/1960.

2. The notice shall be sent by registered post or delivered by hand at the domicile indicated for the said intent and purpose as per the provisions laid down in section E) of article 11 of these articles of association or, otherwise, that which was used for previous calls.

3. The Extraordinary Meeting held at the request of members of the association as per article 19.2 of these articles of association shall be called by the chairman of the association within the term of ten days following the corresponding requirement. Should the chairman fail to call the meeting within the said term, it may be called by those requesting a meeting within the following ten days. The meeting shall be held between the term of thirty and forty-five days following the said requirement.

#### Article 23. Formation.

1. The Homeowners Meeting shall be quorate at the first call when it is attended, either present or represented, by most of the members of the association with the right to attend as laid down in article 20, representing, in turn, most of the participation quotas.

2. In the second call, the Homeowners Meeting shall be quorate regardless of the number of attendees and the participation quarters they represent.

3. Notwithstanding the foregoing, the Meeting may be quorate, even though it is not called correctly, as a Universal Homeowners Meeting, when all the members of the association are present or represented and unanimously decide to hold the meeting.

### Chapter 4. Adoption of agreements

#### Article 24. Adoption of agreements

1. The chairman of the General Association, or his replacement, shall chair the Meeting, direct the discussions and declare the matters sufficiently considered and proceed to the voting on the agreements, where applicable. The post of Secretary shall be held by the person holding the said post or, in his absence, by the person designated by the chairman.

2. Whatever the case, the agreement shall be adopted by simple

majority of the participation quotas present and represented, where each attendee shall issue one single vote, whose value shall be calculated in accordance with his right, as per the provisions laid down in article 12 of these articles of association.

3. The agreements that involve the modification of the rules laid down in the deed of constitution of the condominium or in the articles of association of the association shall be valid only if adopted unanimously by all the members of the association as laid down in legislation.

4. The agreement adopted by the Homeowners Meeting shall be immediately executive as long as they have been adopted in accordance with the provisions laid down in these articles of association and with Act 49/1960. They shall also be mandatory for those in disagreement and not in attendance, without prejudice to the judicial proceedings that may be considered fitting in accord with the provisions laid down in Title V of these articles of association.

#### Article 25. Minutes and certificates

1. Minutes shall be drawn up of each Homeowners Meeting, clearly and succinctly indicating the agreements adopted and the results of the votes, as well as the other requirements laid down in article 19 of the Condominium Act. They shall be drawn up in Spanish and translated into the homeowners' four main languages. The minutes shall be signed by the chairman and the secretary at the end of the meeting or during the following ten calendar days. From the moment the minutes are signed, the agreements shall be executive unless otherwise laid down in legislation.

2. The said minutes, drawn up in Spanish, shall be registered in the corresponding Minutes Book, which shall be authorised by the signature of the chairman and secretary of the association.

3. Certificates of the content of the association's Minutes Book, whose pages shall be numbered and which shall be bound and stamped by the Property Register, shall be issued by the secretary, with the approval of the chairman, at the request of any of the members of the association.

#### Chapter 5. The Chairman

#### Article 26. Appointment and functions

1. The chairman shall be appointed from among those in attendance at the meeting by election or, subsidiarily, by turn or draw as laid down in article 13.2 of Act 49/1960.

2. The president shall have the broadest powers of management and representation of the association, with no limitations other than those necessary for submitting to the hearing and resolution of the Homeowners Meeting the matters reserved for the said meeting, signing

the documents and contracts he considers necessary and designating whatsoever committees, administrators, attorneys-in-fact and employees he considers necessary.

3. The chairman shall have the following specific functions:

A) To execute the agreements adopted by the Homeowners Meeting.

B) To administrate the association's funds, formalising the report and accounts corresponding to each year, which shall be submitted to the Homeowners Meeting.

C) To order the fulfilment of the services laid down in article 5 of these articles of association.

D) To adopt, within the framework of the association's competencies, the measures required to regulate the appropriate use and operation of the basic services and facilities in the action area.

E) To expressly authorise in an official manner whatsoever activity, whether temporary or permanent, involving the common elements of the association.

F) To decide on the pertinence of judicial, administrative, contentious- and administrative proceedings and proceedings of whatsoever class in the defence of the association's interests, as well as to agree the separation, transaction or abandonment of whatsoever proceedings.

G) To ensure the precise fulfilment of the provisions laid down in these articles of association and whatsoever agreements adopted by the governing bodies of the association.

H) To decide, by virtue of an arbitrator's award, the matters submitted to him by the members of the association.

I) To make and require payment, charges and settlements, whatever their legal cause and whoever the creditor or person obliged.

J) To constitute and withdraw all kinds of deposits in whatsoever official or private credit establishment; to open, monitor, cancel and settle savings books, current accounts and credit accounts and to withdraw the corresponding amounts from the said accounts; to sign receipts, cheques, promissory notes and other documents that are fitting, to issue, endorse, guarantee, intervene, except, charge, pay, negotiate and challenge bills of exchange, promissory notes and other credit documents.

K) To set the amount and formalities corresponding to the economic contributions from the association's members in accordance with the annual income and expenses budget for the participation quotas corresponding to the former; and to proceed against bad payers to obtain the payment of the amounts owed.

L) To propose to the Homeowners Meeting, where applicable, the transfer of the association's domicile and to notify the members of the said change.

M) To appoint and separate the administrative and labour staff into the service of the association and to lay down their payment and labour system.

N) To inform, by means of circular letters sent to all the members of the association at least every six months, of all the association's activities

and whatsoever events, situations and aspects that may be of interest to members thereof. The said reports shall be drawn up in Spanish and translated into the homeowners' four main languages.

O) To announce, chair, suspend and close the sessions of the Homeowners Meeting. To direct the discussions in the sessions making use of the following powers listed here by way of example but not limited thereto: to award and remove the floor during the interventions, to establish the turns and maximum intervention times, to consider the matters submitted for debate sufficiently discussed, to limit new interventions on the said matters, to caution speakers if they fail to accept the chairman's instructions and to determine the expulsion from the session of whatsoever person not heeding the said cautions, helped, where necessary, by the security personnel. All in accordance with the appropriate and ordered development of the sessions. In the event of a draw in the votes, he shall decide with the casting vote.

P) To hold the judicial and extrajudicial representation of the association and its governing bodies, with the faculty for restoring powers upon lawyers and solicitors for the corresponding judicial representation and management in the exercise of the said representation.

Q) To authorise the minutes of the Homeowners Meeting, the certificates issued and whatsoever documents that may be required.

R) Whatsoever other functions related to the purpose of the association that are not attributed to the Homeowners Meeting.

3. The chairman may delegate part of his attributions and faculties to a permanent single-person or multi-person committee, which shall be assisted by the administrator of the association.

4. In the case of absence, he shall be replaced in functions by the vice-chairman.

## Chapter 6. The Secretary

### Article 27. Appointment and functions

1. The secretary shall be appointed by the Homeowners Meeting and shall have the following functions:

A) To attend the Homeowners Meetings.

B) To draw up the minutes in Spanish corresponding to the sessions of the Homeowners Meetings, transcribing them into the association's Minutes Book.

C) To notify the members of the association of the agreements adopted by the Homeowners Meeting.

D) To issue certificates of the content of the Minutes Book with the chairman's approval.

- E) Whatsoever function inherent to his post or delegated to him by the chairman.
2. In the case of absence, he shall be replaced by the administrator.

## Chapter 7. The administrator

### Article 28. Appointment and functions

1. The Homeowners Meeting shall appoint an administrator, who may be an individual or a body corporate.
2. The post shall receive a salary, where the chairman shall be responsible for establishing the fees and the terms and conditions of contract.
3. The following is a list of examples of some of the administrator's functions:
  - A) To keep the administration and accounts of the economic and financial management of the association based on generally accepted accounting principles, taking care of the administrative procedures in which he is to intervene or appear.
  - B) To keep a book-register of all the members of the association, indicating their respective names, surnames, addresses, dates of incorporation, buildings and plots of which their owners, participation quotas and whatsoever circumstances are considered appropriate.
  - C) To act as the superior of and to control the administrative and labour staff in the service of the association and to hold personal and contractual relations with the contractors thereof, without prejudice to the superior faculties of the chairman.
  - D) To make the payments, charges and settlements ordered by the chairman.
  - E) To attend the sessions of the Homeowners Meeting with the right to speak but not with the right to vote.
  - F) To propose to the chairman the adoption of the measures required for the optimum fulfilment of the association's purposes, drawing up the priority tasks, work programmes and proposals.
  - G) To ensure the maintenance and conservation of the common elements and the elements of public use and domain in the action area, as well as the provision of the services within the scope of the association.
  - H) To keep the association's documents.
  - I) To prepare budgets and reports and render the accounts.
  - J) To receive queries and suggestions from any member of the association.
  - K) In general, all the functions entrusted to him by the chairman or the Homeowners Meeting.

## **TITLE IV. FINANCIAL SYSTEM**

## Chapter 1. Financial year, budget and accounts

### Article 29. Financial year

The financial year shall begin on the first day of the month of January of each year and shall close on the thirty-first day of December.

### Article 30. Budget.

1. In the second half of each year, the chairman shall draw up the provisional budget for the following financial year, choosing the presentation formulas he considers most appropriate at any given time. The budget may contain ordinary concepts, extraordinary concepts or multi-annual plans, and shall determine the origin of the funds and their application for the balance between both them, applied as homeowners from the first day of each year.
2. The said budgets shall be drawn up in Spanish and translated into the homeowners' four main languages.
3. In extraordinary sessions, the Homeowners Meeting may also adopt special and complimentary budgets, when considered necessary, and, therefore, they shall be added to the annual budget so that they can both be settled at the close of the year to which they apply.
4. In urgent cases, the chairman may bring up unanticipated expenses up to the limit amount equivalent to five per cent (5%) of the annual budget, reporting the matter in the first Homeowners Meeting. The variations in expenses occurring as a result of legal provisions shall be attended by the association and also reported in the following Homeowners Meeting.

### Article 31. Annual Accounts

1. Every six months, the administrator shall obtain a balance sheet and a statement of income and expenses, which shall be related to the cumulative budget on the corresponding date, all approved by the chairman. At the close of each financial year, the said statements may be subject to approval by auditors if appointed by the Homeowners Meeting, without prejudice to their examination by each member of the association during the term of seven days prior to the Ordinary Homeowners Meeting.
2. The Ordinary Homeowners Meeting shall totally or partially adopt the aforementioned financial statements, as well as the management activities resulting from the administration of the association's funds.
3. The books and the annual accounts shall be kept and obtained on the basis of generally accepted principles as laid down in the framework of accountancy legislation.
4. The annual accounts shall give rise to the quotas to be paid by the homeowners in accordance with the percentages laid down in article 12

of these articles of association. The said quota shall be issued every six months in advance or, where applicable, with the frequency laid down by the chairman.

5. In the event of surplus, the Homeowners Meeting shall decide whether to increase the reserve fund or transfer the amount to the following year, deducting the amount from the annual budget. In the case of deficit, the Homeowners Meeting shall decide whether or not it is to be covered with the reserve fund or whether an independent payment is to be made.

## Chapter 2. Income and expenses

### Article 32. Income of the association

The association shall have the following income:

- A) The contributions from the members of the association based on the ordinary and extraordinary quarters resulting from the budgets adopted by the Homeowners Meeting.
- B) The performance of the common facilities and services that may be constituted in accordance with purpose and competency of the association.
- C) The amounts of tax benefits as correspond.
- D) The amount of the subsidies, donations, lucrative transfers, etc. obtained.
- E) Whatsoever other resources not laid down in the above sections that may be attributed thereto.

### Article 33. Expenses of the association

- 1. All the expenses arising in the association as a result of the fulfilment of the purpose thereof and its action area within the budgetary framework laid down in article 30 of both shall be paid by the members of the association as defined in article 9, based on the participation quotas laid down in accordance with the criteria established in article 12.
- 2. By way of example, the following shall be the association's expenses:
  - A) The execution of civil engineering work agreed by the association's governing bodies in fulfilment of the purpose thereof.
  - B) The conservation and maintenance of the elements and services laid down in article 5 of these articles of association.
  - C) The conservation and maintenance of the common services, facilities and elements.
  - D) The salaries of the association's employees.
  - E) Whatsoever expenses required for the fulfilment of the association's purpose.

#### Article 34. Breakdown and payment of quotas

1. The participation quotas laid down in article 12 above constitute the determining module of the members of the association's obligation to contribute to the expenses thereof, without prejudice to the defining value of concurrence and the taking of decisions by the Homeowners Meeting. The quotas determined in this manner shall apply to the individual owners of buildings and plots, including those under co-ownership systems, thus representing the total number of members of the association.

2. On indicating the economic contributions which, in accordance with their respective participation quota, are to be paid by the members of the association as per the economic provisions adopted by the Homeowners Meeting, the chairman shall determine the form and conditions of payment of the former where none of the said members may refuse to pay by waiving his right to use the buildings on the estate, services, furnishings and facilities of both public use and domain and common to the action area.

#### Article 35. Collection of payments

1. In the absence of an express agreement, the economic contributions or quotas that are to be paid by the members of the association shall be collected in six-monthly periods, with regard to other provisions laid down in the annual budget, where the payment of the corresponding amount shall be verified within the term of fifteen days after the reception of the requirement of payment.

2. Accordingly, the association's administrator shall issue a receipt for the amount corresponding to the six-monthly contribution. The notice or requirement of payment shall be made to the bank designated in accordance with the provisions laid down in section E) of article 11.

3. In the case of non-payment by whatsoever person obliged to do so within the term indicated accordingly, the said persons shall enter default with regard to the contribution corresponding to each six-month period.

4. The payment on the date after the term laid down accordingly shall imply, without the need for prior requirements, a twenty per cent surcharge for late payment applicable to the amount owed, plus the accrual of an interest equal to the legal interest rate of money increased by two points until the effective payment of the amount owed.

5. Once the term for the payment of the quotas or the return by the bank of the receipt issued has passed, the entity shall reliably require the member in default, by registered post or personal notice, awarding him a maximum term of ten days to demonstrate the payment of the amount plus the interest and surcharge for late payment. If the payment is not made, the chairman or the administrator, if so agreed by the Homeowners Meeting, may require the payment judicially through small debts proceedings as laid down in article 210 of Act 49/1960.

6. Whatever the case, the member in default shall be responsible for the court and out-of-court costs and expenses that arise, including the professional fees of lawyers and solicitors, even though their intervention were not official.

7. The association's payment of economic obligations corresponding to one or more of its members when their respective obligations are not fulfilled shall attribute the entity sufficient authority to file the corresponding court claim.

8. Owners entering default and owing quotas legally laid down in accordance with these articles of association shall lose all their rights in accordance with the previously regulated statutory system and shall not have the right to vote on the matters discussed in the Homeowners Meeting.

## **TITLE V. LEGAL SYSTEM**

### Article 36. Validity of the articles of association

1. Once definitively adopted by the Homeowners Meeting, these articles of association shall be mandatory for all the members of the association.

2. The rules laid down in these articles of association shall be mandatory and their purpose is to regulate the rights and obligations of the owners of property included in the action area defined in article 6 above, as well as the rules for governing and administrating and the economic and legal system that corresponds to the association.

### Article 37. Executive nature

1. The agreements adopted by the Homeowners Meeting shall be executive and mandatory for the members of the association from the close of the minutes of each meeting, as laid down in article 19.3 of Act 49/1960, unless laid down otherwise in law.

2. The opposition to the agreements adopted by the Homeowners Meeting shall not suspend their execution unless the judge so rules as a precautionary measure at the request of the claimant, having heard the Homeowners Association.

### Article 38. Appeals.

1. The agreements adopted by the Homeowners Meeting may be challenged before the courts in accordance with the provisions laid down in procedural law in the following cases:

- A) When they are against the law and these articles of association.
- B) When they are seriously damaging for the interests of the association itself in benefit of one or more homeowners.

C) When they are seriously damaging for a homeowner who does not have the legal obligation to bear the damage or when they have been adopted in the abuse of law.

2. The owners who have refrained from voting in the Meeting, those who are absent for whatsoever other cause and those who have been unduly deprived of their right to vote shall be authorised to challenge the agreements adopted by the Homeowners Meeting.

3. In order to challenge the agreements, the homeowner shall be up-to-date with the payment of all his debts or shall previously deposit the said amount as laid down in article 18.2 of Act 49/1960.

4. The action shall expire three months after the agreement has been adopted by the Homeowners Meeting unless otherwise provided for in legislation.

## **TITLE VI. DISSOLUTION OF THE ASSOCIATION**

### Article 39. Expiry

1. The condominium system shall be extinguished through the destruction of the estate. This shall be considered to have occurred when the cost of the reconstruction exceeds 50% of the value of the estate when the accident happened or through conversion into ordinary co-ownership or ownership in accordance with the provisions laid down in the Condominium Act.

## **ADDITIONAL PROVISIONS**

1. For the provisions not laid down in these articles of association, those laid down in the Condominium Act and the Civil Code shall apply subsidiarily.

2. In the Residential Partial Plan of the “TERRAZAS DE LA TORRE”, there are facilities for the supply of electricity, freshwater, drains and irrigation water, liquefied petroleum gas and telecommunications, with their distribution networks and other complementary elements for the correct operation thereof. The right of easement is hereby recognize for the supply companies with regard to the common elements of the complex and the private elements in the sections through which the conduits corresponding to the distribution networks run for the intents and purposes of maintenance work and the operation of the installations.

## **TRANSITORY PROVISIONS**

## 1. INITIAL ORGANISATION OF THE ASSOCIATION

Given the need to immediately and peremptorily provide a legal representative for the association, the developer "LA HACIENDA VERDE, S.L." shall assume the condition of chairman, secretary and administrator of the association for a maximum term of five years from the date on which the deed of constitution of the grouped property complex is signed. The said posts shall be carried out by whichever of its legal representatives or may be delegated in any of the homeowners or other professionals, where applicable, if considered appropriate; furthermore, the said delegations may be revoked. During this period of time, it shall bestow the broadest powers for signing, in representation of the association, all kinds of documents or contracts (including property, services or supply contracts), and for signing urbanistic agreements and agreements of whatsoever kind with the public authorities with which it may hold relations and, in particular, with the local authorities. After the maximum agreed term, or previously should the chairman consider it appropriate, the General Homeowners Meeting, if duly called and constituted, shall proceed to appoint the corresponding posts.

## 2. RESERVATIONS OF RIGHTS

### 1. TO MODIFY THE PARTIAL PLAN AND THE ALLOTMENT PROJECT.

Plot R.1, of residential use, referred by these General Articles of Association, is all integrated within the scope of the Partial Plan Terrazas de la Torre-Los Saurines, in Torre Pacheco.

Given that, on one hand, at present an amendment of the Allotment Project pertaining to the Sector where the Plot R.1 is located is being processed before the Town Council of Torre Pacheco and on the other hand, the developer "Hacienda Verde, S.L.", being in mind the present estate of the plot, predicts the sell of dwellings in the Complex to third parties before the amendment of the Allotment Project is finalised and recorded with the Land Registry, "LA HACIENDA VERDE, S.L." hereby reserves the following rights, for a period of ten years, exclusively for the purposes of adapting the incorporation deed of the Complex to the new plots stemming from the amendment, provided always that such adaptation does not alter the location, reduce the overall surface area and build ability or alter the share of the plots in respect of which the above-mentioned sales have taken place:

- Amend the Partial Plan and Allotment Project of the Sector where Plot R.1 is located. This reserved right includes, by way of example and without limitation, the ability to alter the plots of

public and private use, their number, location, areas and perimeters, boundaries, uses, buildable areas and share in the infrastructure costs, as well as the amendments of roads, parking and service areas, etc. In respect of Plot R.1 such amendments could comprise, always subject to the above limitations, the change of its boundaries, an increase of their surface areas and also the location within them of electricity transformers.

- Process the necessary planning procedures to that end, including subsequent amendments and rectifications, up until their full recording at the Land Registry, without the need for the consent on the part of owners of properties or Communities of Owners of blocks located within the perimeter of Plot R.1 at the time of recording of such amendments and rectifications.

## 2. FOR THE CONSTITUTION OF PROPERTY COMPLEXES OF HIGHER RANKS

The property complex laid down in these articles of association, "TERRAZAS DE LA TORRE, FASE 1" is an inseparable part of an ambitious private property complex project of such size and complexity that its development and termination will be carried out over a considerable period of time.

The necessary execution by phases of the urbanisation, construction and commercialisation of the private elements that make up the complex require the establishment of a reservation of rights corresponding to the developer so that the developer or the party taking its place may structure and legally organise the private property supra-complex which shall initially be called "TERRAZAS DE LA TORRE".

This reservation of rights awards "HACIENDA VERDE, S.L", or the party taking its place the following powers:

- To integrate the plot in question here in a private property complex of higher rank, either by grouping together complexes or by whatsoever other legal procedure, in accordance with the freedom of agreement laid down in article 24 of the Condominium Act.
- To draw up and approve the corresponding articles of association and internal regulations.
- To establish the participation quota of each complex or plot in the resulting complex.
- To sign the public or private documents required for the exercise of the said reserved powers, as well as the corresponding corrections or complements thereto.

The rights reserved in this section by the Developer or the party taking its place shall be exercised without the need for the consent of or the serving of notice to the current or future owners of the plots resulting from the horizontal division of the different blocks or associations, or to the partial or general homeowners meetings of the complex.

## 2) FOR SUCCESSIVE CONSTRUCTION OR THE CONSTRUCTION BY PHASES

Given that any of the plots on this complex may be used for new constructions to be built in the future or that the initial plots may be modified, with the corresponding mortgage modifications and legal acts or businesses related thereto, which may also be built in phases, the developer "HACIENDA VERDE, S.L." or the party resulting therefrom, hereby reserves the following rights for the term of 100 years:

1) . - The plot or plots not yet built completely or partially and the buildings already completed thereupon shall be subject to current urbanistic orders and the bylaws applicable to the corresponding area.

2) . - The current or future owner of the plots that make up the complex, the various portions, whether constructed or not, or those resulting therefrom may, in their own right as full owner of the estate, without considering the consent of or notifying the current or future owners of the estates resulting from the condominium:

a) Build on the estate in the form, size and conditions allowed by the urbanistic and administrative provisions applicable to the sector.

b) Construct and make the declaration of new building work in accordance with the corresponding projects as they are developed, together with their dominium and the establishment of their articles of association.

c) Determine the quota corresponding to the individual elements of each estate based on the objective criteria laid down in the Condominium Act.

d) Hold the power to sign whatsoever deeds that may be necessary for the exercise and development of the said rights, and as well as complementary corrective deeds.

e) The right to install whatsoever publicity, whether luminous or otherwise, on the said plots, on the projections of the buildings or on the land of the constructed buildings or those constructed in the future.

f) The whole plot R.1 as the original land as well as each of the estates and those resulting therefrom may be, as many times as their owner wishes, subject to grouping, aggregation, segregation, division and subdivision and, in general, whatsoever other modification, laying down, where applicable, the corresponding relations through the constitution of the corresponding easements. Their owner shall describe the new properties and set the quotas corresponding thereto without altering those corresponding to the owners not affected by the said transactions. Under no circumstances shall the prior or subsequent consent of the other homeowners or the corresponding Homeowners Meeting be required.

### 3) FOR THE CONSTITUTION OF THE COLLABORATING URBANISTIC CONSERVATION ENTITY

In the hypothetical case where it is necessary in the future or should the competent local authority require the constitution of a "collaborating urbanistic conservation entity for the partial plan TERRAZAS DE LA TORRE" to assume the maintenance and conservation of the estate and the public furnishings and services, the current owners of the elements that make up the complex and the successive buyers, simply by virtue of their condition, shall undertake to become part of the said entity.

### 4) POWERS

As an instrument for exercising the powers laid down in the foregoing three paragraphs, the initial owners of the elements that make up the complex, as well as the successive buyers thereof, by virtue of their condition, hereby bestow an irrevocable power, given its contractual nature, in favour of "HACIENDA VERDE, S.L." so that, through its legal or voluntary representatives, with powers for signing administrative documents, whatever the limit thereof, where applicable, may carry out whatsoever procedures that may be required and sign whatsoever public and private documents that may correspond for the exercise of the powers reserved by the developer until their full registration in the property register, for the constitution of the aforementioned entity and its registration in the corresponding administrative register, including additional and corrective documents.

This power shall be understood as automatically bestowed by the future buyers of real rights over the elements that make up the Partial Plan through their mere purchase. -

In Torre Pacheco, Murcia, on 9<sup>th</sup> October 2008