



ALTOS MIRAFLORES

BYLAWS OF OWNERS' COMMUNITY



Miraflores[®]

ALTOS MIRAFLORES

BYLAWS OF THE “ALTOS MIRAFLORES” RESIDENTIAL COMPLEX OWNERS’ COMMUNITY

CHAPTER I REGIME

ARTICLE 1.- OBJECT

The present Bylaws are drafted with the object to perfectly regulate the relationships, neighbourly habitation and the correct use of the communal services by the co-owners of the residential Complex “Altos Miraflores”.

ARTICLE 2.- THE LEGAL REGIME

The legal regime that will regulate the Complex is the following:

- 2.1- That established in the Ley de Propiedad Horizontal (Condominium Property Law).
- 2.2- These Bylaws and the future Procedure and Internal Regime Regulations of the Complex.
- 2.3- In default of all the regulations mentioned in the previous sections, the Spanish Civil Code will be applicable.

ARTICLE 3.- APPLICATION SCOPE

Both the present and future owners, as well as the tenants or leaseholders of the dwellings and other buildings of the complex, the employees of both and any other person that may make use of said property regulated under the condominium property regime or any of its installations in any manner or those who would in any manner be inhabitants of said Complex, are subject to the regulations set out in the present Bylaws and to those that may be established in the future, pursuant to the Law, in a Procedure and Internal Regime Regulation that will affect everyone in equal measure.

CHAPTER II

DETERMINATION OF PRIVATE AND CONDOMINIUM PROPERTY

ARTICLE 4.- PROPERTY

4.1.- It is understood to be property of the owners each Apartment, Garage, Garage-storage room, Garage-carport or Storage room.

4.2.- The singular and exclusive right of property over a sufficiently defined space, subject to independent use, with all types of architectural elements and installations, be they apparent or not, that are contained within its limits and that are for the exclusive use of the owner, as well as those adjoining that have expressly been specified in the purchase deed, even if they are outside the defined space.

4.3.- Condominium property will be understood as the co-ownership, along with the other owners of apartments or premises in the complex, of the remaining communal elements, belongings and services such as: plot on which the block is situated, foundations, master walls and partitions, roofs, roofing, main entrance door, stairways, patios, concierge area, if applicable, and the installations of services, pipes, conducts, pools, gardens that are not private, paths, electrical installations, pipes, sewerage network, general infrastructure, parking areas, etc. as well as in general, all that is for the communal use, exploitation and enjoyment of the apartments.

ARTICLE 5.- VARIATION OF RATIOS

5.1.- Each property will be understood to comprise the space within its present walls and partitions, although there may be a defect or excess of space regarding the description set out in the incorporation title of the property, which in no case will lead to any claim whatsoever.

5.2.- The improvements or damage of each property will not alter the attributed ratios, which may only be modified by unanimous agreement of the Assembly, convened to said purpose. The procedure for the variation of said ratios will be the following:

5.2a) Calling of a General Meeting, including on the Agenda a specific item regarding modification of the ratios.

5.2b) Presentation before the Assembly of the project for modification of the incorporation title on the property, where the re-structuring of the ratios appears inserted, according to the increases and decreases undergone by the properties of the complex.

5.2c) Notification in an official manner to the owners who are not present nor duly represented at the Assembly of a certified copy of the ratio modification resolution.

5.2d) Formalisation of deed by the Community President of the new re-structuring of ratios and registration with the Land Registry for the inscription of the new incorporation deed.

5.3.- Notwithstanding the preceding and as a unique exception, the Promoter Altos Miraflores de Mijas, S.L., reserves the right, as long as it is the owner of any property in this complex, to formalise and rectify if applicable, the Project and Deed of New Works and Horizontal Division of the Complex in order to adapt the inscription of the properties and of their respective coefficients to the modifications that may have been physically introduced during or after the works, with the most ample powers, as well as to establish the participation ratios of the different properties, providing that said modifications were imposed by competent town planning reasons or inescapable technical circumstances, or were convenient, although this may not substantially modify the distribution and extension of the resulting properties. Said power is extended to the possibility of drafting and modifying the bylaws and other regulations of the functioning of the Owners' Community.

5.4.- The transfer of possession will not affect the obligations derived from this special ownership regime.

ARTICLE 6.- DIVIDING ACTION

6.1.- Dividing action may only be exercised by each owner pro indiviso, regarding a certain property or apartment, circumscribed to the apartment itself and provided that the indivision is not established for the communal service or use by all owners.

6.2.- The architectural elements, installations and services of each apartment or property may be modified by the respective owners provided that this does not cause harm or alter the security of the building, its architectural elements, the configuration or external state, the general structures or that it does not impair the rights of other owners.

In any case, the owner must previously notify the person who represents the Community of said works, attaching a blueprint or plan of the works to be carried out.

ARTICLE 7.- MODIFICATION OF THE PROPERTIES

7.1.- The apartments and their annexes may be the object of material division to form other smaller and independent ones and increased by segregation of other adjoining ones of the same building or diminished by segregation to another part. In said cases, in addition to the consent of the affected owners, the favourable report by the architect of the Complex is needed, as well as the unanimous consent of the Owners' Assembly, which is responsible for the establishment of the new participation ratios for the apartments object of reform and without change in the ratios of the remaining apartments.

7.2.- The procedure to be followed for these modifications to be carried out is:

7.2a) The owners who wish to modify their apartments and the annexes in any way, either dividing them to form other smaller ones or grouping them to form larger ones, must present an application to the Administration, along with a project of the modifications they wish to carry out, as well as a study of the redistribution of ratios, without altering the remaining ones of each of the units that make up the building.

7.2b) Once the Administration has received the application and the projects, it will obtain the report from the Architect of the Complex on said modifications and will present it to the Presidency of the Community for it to be included, if applicable, as a specific item on the Agenda of the first Ordinary or Extraordinary General Meeting that is to be held.

7.2c) The Assembly, whatever the quorum that is reached between those present and represented, must approve, by unanimity of all those present, the reform and modification project for the apartment, empowering in said resolution the Solicitor and the Legal Advisor of the Community, if any, to carry out the pertinent procedures for the inscription of the resulting new units or registry units, or if not, any other Solicitor. The expenses and fees generated by these professionals will be paid by the affected owners, even if the Solicitor, as Legal Advisor, receives periodical established fees from the community.

7.2d) The modification project, along with a certification issued by the Secretary of the Community of the contents of the resolution reached, and a list of the owners who were absent and not duly represented at the Meeting must be presented before Notary Public, who will draft a notification for those absent, by registered letter with acknowledgment of receipt, pursuant to section 9 of the Condominium Property Law.

7.2e) Once the notification has been carried out pursuant to the preceding section and those notified have not made any opposition, the unanimous consent of all the Community will have taken place, expressly by the attendants and those represented at the Assembly where the resolution was adopted, and tacitly by those who did not attend. The President of the Community or the Administrator must then appear before Notary Public to make the modification resolution a public document and then all the said documents must be presented to the Land Registry for their inscription.

ARTICLE 8.- FAÇADES AND EXTERIORS

Each owner is under the obligation to maintain the decorum of the property and may not, under any circumstance, carry out external works that would modify or alter the configuration of the buildings or the colour of the façades.

ARTICLE 9.- PARTICIPATION RATIOS

The owners will contribute to the maintenance of the communal elements of the Complex, in accordance with the participation ratios that are assigned to them in the Horizontal Division deed.

CHAPTER III OBLIGATIONS AND RIGHTS OF THE OWNERS

ARTICLE 10.- OBLIGATIONS

The owners of each property are under the obligation and are subject to fulfil the following:

10.1.- To respect the general installations of the community and other communal elements, be they of general use or private of any of the owners, be they included in the apartment or premises or not, using them in an adequate manner and always avoiding damage or harm to them.

10.2.- To maintain in a good state of repair the private property and installations so that they do not harm the Community or other owners, repairing the damage that may occur due to negligence or to that of the persons the owner may be responsible for.

10.3.- The owner will also respond for the damage caused:

10.3a) By explosion of machines that were not cared for with due diligence and the inflammation of substances that were not kept in a proper and safe place.

10.3b) By the excessive smoke that may result harmful to persons and property.

10.3c) Damage caused by things that were thrown from his/her property, and the head of the family will be thus responsible, be it owner, leaseholder or inhabitant of the dwelling.

10.4.- To consent in his property to the repairs demanded by the service to the Community and to allow in it the easements required for the creation of communal services of general interest, which must be agreed pursuant to section 17 of the Condominium Property Law, and the Community will have the right to be compensated for any damage caused. This right of the Community may not be arbitrary, it must be exercised by the assembly, and the following requirements must be fulfilled:

10.4a) That an industrial technical engineer, architect, etc. consider the establishment of the easement indispensable to the installation.

10.4b) That the easements to be established be in the general interest and not to groups of properties, they must be communal.

10.4c) That the easements be agreed to by three fifths of the owners of all the properties that make up the community, and they may be proposed to the Assembly by any owner.

10.5.- The votes will be counted as favourable of those owners who, being absent from the Assembly and duly convened, once they have been informed of the resolution adopted by those present, pursuant to the procedure established in section 9 of the Condominium Property Law, do not state their disagreement by notifying the person who acts as secretary of the community within thirty calendar days, by any method which allows proof of having received it.

10.6.- To allow access to the property to the purposes stated in the previous sections.

10.7.- To contribute, in accordance with the participation ratio established in the incorporation deed of the property or in accordance with that which was especially established, to the general expenses for the adequate maintenance of all the communal elements of the building, its services, charges and responsibilities that are not subject to individualisation.

10.8.- Communal expenses, notwithstanding the fact that they may vary in each case, are:

10.8a) Expenses of concierge, such as:

Salary of the concierge in accordance to the labour regulation.

Water, electricity of the dwelling, if any, and Social Security.

10.8b) Lift and service lift expenses, such as:

Payment to the company in charge of the maintenance.

Municipal inspection fees

Revision by the Industry Department.

Electrical motor power

Normal repairs

10.8c) Entrance doorway and stairway

Public lighting

Cleaning of the stairs and material used for this purpose

Repair of lights

10.8d) Insurance

Fire insurance

Civil liability and third party insurance, for installations, electricity for the garden and other communal services.

10.8e) Gardens

Maintenance and conservation

10.8f) Public lighting of the complex
Maintenance, conservation and replacement of material

10.8g) Unforeseen expenses

10.9.- Extraordinary expenses are those that fulfil the following requirements:

10.9a) That they are not periodical and that they exceed the amount foreseen in the budget for expenses and repairs.

10.9b) That they are implemented according to section 14.c of the present Condominium Property Law, prior agreement of the majority of owners.

10.9c) Those that, not being repairs, must be paid once without periodicity.

10.9d) Credits in favour of the community derived from the obligation of contributing to the general expenses corresponding to the fees attributable to the due part of the annuality in course and the immediately previous calendar year have a preferential nature to purposes of section 1923 of the Spanish Civil Code and they precede, for their payment, those listed in sections 3, 4 and 5 of said law, without prejudice to the preference established in favour of the salary credits in the Workers' Bylaws.

10.9e) The purchaser of a dwelling or premises under the condominium regime, including with a deed inscribed in the Land Registry, responds with the dwelling itself for the amounts owed to the owners' community for the general expenses of the previous owners with the limit of those that are attributable to the due part of the annuity in which the purchase takes place, and the immediately previous calendar year. The apartment or premises will be legally bound to the fulfilment of this obligation.

10.9f) In the public instrument by which any title is transferred on the dwelling or premises, the transferor must declare to be up to date in the payment of all general expenses of the owners' community or declare that they are outstanding. The transferor must at that time present a certification of the state of the debts with the community that agrees with the statement, without which the formalisation of the public document may not be carried out, unless the purchaser expressly exonerates the transferor of this obligation. The certification must be issued, within a maximum period of seven calendar days to be counted from the date it was requested, by the person acting as secretary, with the approval of the president, both of which will respond, in the case of fault or negligence, for the exactness of the information that appears in the same and of the harm caused by the delay in its issue.

10.10.- To contribute, in accordance with the respective participation ratio, to the reserve fund of the owners' community to cover the conservation and repair works on the property, pursuant to section 9, paragraph f, of the Condominium Property Law.

10.11.- To have the due diligence in the use of the property and in the relations with the other owners and to respond before them for the infractions made by those who occupy the property, without prejudice to the pertinent direct actions.

To said purpose, each owner is under the obligation:

10.11a) To maintain the decorum of his/her apartment and under no circumstance may they carry out exterior works that modify or alter the configuration of the building or the colour of its façade.

10.11b) To respect the general installations or those of another owner, including those of his/her apartment.

10.11c) General installations are considered to be machines, devices, pipes, etc. situated in the complex to be used for the communal service to the owners, as well as those that pass through a certain property, they are general as easement in favour of the other owners.

These easements have a legal nature and will be regulated by these Bylaws, by the Condominium Property Law and by the Spanish Civil Code.

10.11d) The obligation, of a positive nature, to keep the dwelling or the premises in good state of repair includes the gas, electricity, smoke extractors and other private installations.

10.11e) Opposed to the right that each owner has to act in his/her dwelling or premises with total freedom, is the right, based on section 348 of the Spanish Civil Code of each owner to use and enjoy his/her property with the limitations established by law, which implies that the power of freehold is not absolute to the degree that it allows the impairment of a third party's rights.

10.11f) The owner who by carelessness or negligence should cause cracks in the walls or leaks in the water installations that lead to any damage in adjoining buildings or to the community will be under the obligation to compensate for said damage, as the person who by action or omission causes damage by negligent fault is obliged to repair the said damage, even if the damage should be caused in the exercise of a right, if the owner acted in an abusive manner.

The previous responsibility is not only for the acts and carelessness of the owner himself, but also for those of the persons for whom he/she responds.

10.11g) To allow the access to the property to the purposes established in the previous sections.

10.12 This right is regulated in the following manner:

10.12a) If the owner consents and does not make any objection to the access to his/her property, the technicians commissioned by the community for the works or repairs will enter in presence of the owner or of the person the owner appoints. The Administration will make a writ as proof for the works that will be carried out in the apartment, in which will appear all the circumstances that make the entrance necessary and the consent of the owner or of the appointed person, by the signature of one or the other.

10.12b) If the owner should not allow access with the pertinent guarantees, the community must request it in a proven manner, and in this request the causes that give rise to the need will be stated, the resolutions that motivate the entrance and the works or repairs that will be carried out, as well as the damage and responsibility the owner will incur in if he/she should persist in opposing the access. The Assembly must refrain from doing so on its own, even if there are witnesses.

10.12c) If all these steps should not give a positive result, the Presidency must recur to the Legal Authorities to obtain the pertinent entrance order, prior presentation of the aforementioned request, and the Authorities will resolve as they deem convenient.

10.13.- To pay the amounts that correspond according to the participation in the expenses that appear in the budget for each year, within the first thirty days after payment has been requested.

10.14.- The collection of the fees will be carried out by the Administrator, issuing receipts that will be due for collection, without prejudice to the fact that the owners may make the payment directly to the Administrator or that they have standing orders for the payment through their bank accounts.

10.15.- The delay in the fulfilment of this obligation will cause, with no need for any notification, an monthly 2% interest in favour of the community, and the President or the Secretary or Administrator of the Community may initiate legal action to claim the payment, with no need for any prior notification, either through the special procedure established in section 21 of the Condominium Property Law, once all the requirements set out in the same have been fulfilled, or through the pertinent Ordinary Declarative Action, depending on the outstanding amount.

ARTICLE II.- PROHIBITED ACTIVITIES

It is forbidden to carry out in the properties, remainder of the building, in the communal areas and elements, any activity that is not permitted by law, these Bylaws, the future Procedure and Internal Regime Regulations of the complex, any activity that is detrimental

to the property or that goes against the general provisions on bothersome, unhealthy, harmful, dangerous or illegal activities.

ARTICLE 12.- USE

Each of the owners has the full use of his/her part with no further limitations than those established by law or by these Bylaws, the Procedure and Internal Regime Regulations of the complex or, lastly, by the resolutions adopted by the Assembly.

ARTICLE 13.- BREACH OF REGULATION

13.1.- The breach of the prohibitions established in the Condominium Property Law, these Bylaws or the Procedure and Internal Regime Regulations of the complex will lead to the exercise of the corresponding actions, and particularly to those set out in section 7 of the said Condominium Property Law, both against the owner and any occupant of the property.

13.2.- Without prejudice to the prohibitions that may be established hereinafter, it is expressly forbidden:

13.2a) To install academic circles, pensions or associations within the apartments and in the communal areas.

13.2b) To carry out or to exploit within the apartments any type of business, commercial, industrial activity or any other that implies using the property for any other purpose than the residential purpose for which it was built.

13.2c) This prohibition expressly includes the use of the property for the installation, carrying out or exploitation of the timeshare business or any activity related to the same.

The prohibitions established in this article do not affect the promoting company of the complex, which is entitled to carry out, install or exploit, within the buildings of its property, any type of commercial, industrial or business activity, including the right of timeshare of the apartments.

13.2d) To place and deposit in the main entrance doorway, garden enclosure of the complex and swimming pool or surrounding area, motorcycles, vehicles or packages of any kind.

13.2e) To alter the present distribution of exterior openings in the façade, communal stairways or to open new ones in the respective apartments.

13.2f) To install any type of publicity signs, be they luminous or not, or any type of sign on the façade of the building as well as on the doors or windows of the

apartments, either from the exterior or the interior, that may be seen from anywhere on the outside of the complex.

This prohibition expressly affects any advertisement or sign indicating the sale or rent of any apartment.

To said purpose and with the intention of facilitating said information, the owners' community may agree in General Meeting to place a notice board in the community office, and it will regulate the form in which it is to be used. The quorum necessary in both cases will be the simple majority of owners and of participation ratios.

13.2g) To install radio or private television antennae on the façades or on the roofs.

13.2h) To install dangerous industries or devices.

13.2i) To essentially modify the structure of the apartment inasmuch as it affects the consolidation and safety of the communal parts of the respective buildings.

13.2j) To hang clothes in the dwellings from a place that is visible from the exterior or from the communal areas.

13.3.- It is totally forbidden to have dogs in the apartments, as well as to walk said animals in the communal garden areas of the complex and the swimming pool area. Other animals may not be kept either, of any nature whatsoever.

The only exception to this prohibition are disabled persons who live with a guard dog. Before introducing the animal in the building they must request the prior authorisation from the owners Assembly, which will expressly determine the tolerance regarding any of them in a very concrete and specific manner.

The quorum for the resolution waiving the prohibition in the aforementioned case will be the simple majority of owners and of participation ratios.

13.4.- No bothersome game may be played, such as ball, golf, etc., in the gardens or in front of the dwellings.

13.5.- The specific rules for the swimming pool must be observed and if they are broken or disobeyed, the guard or the person in charge of the community or, in its case, the complex, will report the offenders to the community.

13.6.- Rubbish must always be deposited in closed bags in the corresponding containers and in the communal rubbish bins.

13.7.- All the plants and trees of the communal area must be strictly respected. The person who causes damage to any of them will be responsible before the community for all harm caused.

13.8.- The access areas and corridors must be used and respected as the only means.

However, the General Meeting of the Community may, by majority, waive some of the prohibitions in the cases in which there is no prejudice to the communal interest, and it may impose new ones.

13.9 – Only the installation of plain ochre coloured awnings is permitted, in accordance with the colour codes which the Community of Owners provides; whatever other colour appearing on the ochre, such as stripes, checks, prints, anagrams or letters and whatever other design which does not comply with that authorized, is expressly forbidden.

ARTICLE 14.- MATERIAL DIVISION

The properties may be the object of material division to form other more reduced and independent units or units that are increased by aggregation of other adjoining property or diminished by segregation of any part. In said cases, in addition to the consent of all the affected owners, the favourable report of the Architect of the Complex and the unanimous approval by the Owners' Assembly, which is responsible for the establishment of the new participation ratios for the reformed properties, are also required, subject to section 5 of the Condominium Property Law and without modification to the ratios of the remaining properties.

ARTICLE 15.- NEW INSTALLATIONS

No owner may demand new installations or improvements that are not necessary for the proper conservation, habitability and safety of the property according to its nature and features.

When resolutions are validly adopted to carry out innovations that are not demandable according to the previous paragraph and which installation fee exceeds three ordinary monthly payments of communal expenses, the dissident party will not be under the obligation, nor will his/her ratio be modified, even in the case that he/she may be deprived of the improvement .

If the dissident party should wish at any time to participate in the advantages of the improvement, he/she must pay his/her part of the expenses for carrying it out and for maintenance, duly updated, applying the pertinent legal interest.

In any case, the improvements that render any part of the building unusable for the use and enjoyment of any owner, will always require the express consent of said owner.

The apportionments for the improvements carried out or to be carried out on the property will be paid by the person who is the owner at the time the amounts for said improvements are demandable.

ARTICLE 16.- REGULATIONS AND INTERNAL REGIME

Without prejudice to the obligations and prohibitions set out in these Bylaws, in order to regulate other details of neighbourly habitation and the proper use of the communal services and things, within the limits established by Law and these Bylaws, a Procedure and Internal Regime Regulation may be established. The consent of the majority of the

Owners of the Complex will suffice to approve or modify it, or the application of the regime established in the Condominium Property Law for legal regulations, before the Community of the Complex has been established factually or legally.

These internal regime regulations will also obligate all owners, present or future, as long as they are not modified in the manner established to make decisions on administration.

ARTICLE 17.- NEW CONSTRUCTIONS

17.1.- The construction of new floors and any other modification to the structure or layout of the building or of communal elements affect the incorporation title and must be subject to the regime established for modification of the same. The resolution reached will establish the nature of the modification, the alterations that it originates in the description of the property and of the apartments or premises, the variation of ratios and the owner or owners of the new premises or apartments.

17.2.- The requirements for this resolution to be valid are:

17.2a) That it is adopted unanimously, be it expressly or tacitly, by the owners that make up the Community.

17.2b) The intervention of a Notary Public regarding formalisation of the resolution and notification of the same to those absent who were not duly represented at the Meeting in which the resolution was adopted, if it should be inscribed in the Land Registry.

17.2c) The nature of the modification and the alterations it originates in the description of the property will be established with all the information required by sections 8, 9 and 21 of the Mortgage Law and section 51 of its Regulations, as well as the variation of ratios.

17.3.- In any case, the procedure to be followed is:

17.3a) Project of the resolution containing the aforementioned information.

17.3b) Official notification to all owners, convening them to a Meeting.

17.3c) Minutes of the Meeting with unanimity of those present and represented.

17.3d) Official notification to the absent owners who were not represented, in accordance with the procedure established in section 9 of the Condominium Property Law.

17.3e) A period of thirty calendar days from the date the notification is made, without any manifestation made to the secretary of the community, in any manner that allows proof, of the opposition by those who were notified.

17.3f) The President or Secretary-Administrator of the Community, representing the owners, will place on record the resolution and inscribe it in the Land Registry. This procedure must be followed, both in the constructions and in the modifications that affect the external or internal structure of the properties and which in any manner modifies the incorporation deed of the property or deed of declaration of new works and horizontal division of the same.

17.4.- Notwithstanding the preceding, when it is an interior modification of the properties that does not endanger the consistency nor the internal structure of the building, the owner may carry out the reform, prior having notified the President or legal representative of the Community of the nature of the works, in writing, stating the type of work to be carried out and attaching a blueprint, project or drawing of the same.

ARTICLE 18.- SUMMONS AND NOTIFICATIONS

For all types of legal and extralegal summons, writs and notifications, each owner must communicate to the secretary of the community, by any means that allows proof of its reception, his/her address in Spain. If this is not given, the apartment or premises located in the community will be considered as domicile, and those communications delivered to the occupant of the same will have full legal effect.

If it were impossible to deliver a summons or notification at the place specified in the previous paragraph, it will be understood to have been delivered by placing the pertinent communication on the community bulletin board, or in a visible place established to said purpose, which states the date and reasons by which this manner of notification is carried out, signed by the person who acts as secretary of the community, with the approval of the president. The notification thus carried out will have full legal effects within three calendar days.

CHAPTER IV THE COMMUNITY ENTITIES

ARTICLE 19.- OWNERSHIP

19.1.- The conjunction of a group of persons in the ownership of rights leads to relations of inter-dependencies which affect the respective owners, making necessary the creation of representative and administration entities.

19.2.- These entities are the Owners' Assembly, the Governing Board, the President, the Vice-President, the Secretary and the Administrator.

ARTICLE 20.- THE GENERAL ASSEMBLY

20.1.- The General Assembly is made up of all the owners of properties. It is the Supreme entity of the Community. Its purpose is that of a collective regulating body in which lies the sovereignty of the Community.

20.2.- It is mandatory that it meet once a year to approve the budgets and accounts and whenever the president considers it necessary or a fourth of the owners or a number of owners who represent at least 25 per cent of the participation ratios so request.

20.3.- The president will convene the meetings, and in its defect, the promoters of the meeting, stating the matters to be dealt with, the place, date and time when the first, or if applicable, the second call, will be held, and the notifications will be carried out pursuant to section 9 of the Condominium Property Law.

20.4.- The summons will contain a list of the owners who are not up to date in the payment of the outstanding fees of the community and it will advise of the deprivation of the right to vote if at the time the Meeting is to begin they are not up to date in the payment of all outstanding amounts and they had not legally contested them or if they had not been tendered before action by legal or notary means.

These owners may participate in the deliberations but they will not have the right to vote.

20.5.- The minutes of the meeting will show those owners who have been deprived of the right to vote and these persons and their participation ratios will not be calculated to purposes of reaching the majorities required by Law.

20.6.- Any owner may request that the Assembly study and deliver judgement on any matter that is in the interest of the community. To said purpose, the owner must send a writ to the president, specifying the matters that he/she requests to be dealt with. The president will then include them in the agenda of the next meeting to be held.

20.7.- If the majority of the owners who represent the majority of participation ratios do not attend the Meeting on first call, a second call will be convened, this time not subject to quorum.

20.8.- The Assembly will meet on second call at the place, on the day and time stated on first call, and it may be held on the same day if half an hour has passed since first call. If not, it will be convened again, pursuant to the previously established requirements, within eight calendar days of the Assembly that was not held, and in this case the notifications will be issued with a minimum of three days in advance.

20.9.- The summons for the Annual Ordinary Meeting will be made, at least, six days in advance, and for the extraordinary meetings, with sufficient time for all the interested

parties to be informed. The Assembly may meet validly even without the summons of the president, provided that all the owners agree to it and so decide.

ARTICLE 21.- FUNCTIONS OF THE ASSEMBLY

21.1.- The functions of the Owners' Assembly are:

21.1a) To appoint and remove the persons who fill the posts mentioned in the previous article and to solve the claims that the owners of apartments or premises make against the actions of said persons.

21.1b) To approve the expected Plan of Expenses and Income, which is to be annual, and the corresponding accounts.

21.1c) To approve the pertinent accounts that the Administrator must present at the annual meeting. The Administrator must have the accounts closed at least fifteen days before the holding of the Annual Ordinary General Meeting, and all the documents corresponding to said accounting must be at the disposition of the owners.

21.1d) To approve the budgets and the execution of all the works to repair the property, be they ordinary or extraordinary (the latter are those that are not normal and usual and which may not be covered with the income of said unit).

21.2.- The formalities for the approval of extraordinary works are as follows:

21.2a) They must be adopted by majority, not requiring unanimity, or also by court ruling.

21.2b) The Administrator will be in charge of executing these resolutions, making the payments and collecting the fees.

21.2c) The procedures set out in sections two and three of section 17 of the Condominium Property Law may be made against these resolutions.

21.3.- To be informed of the urgent measures adopted by the administrator, pursuant to section 20.c) of the Condominium Property Law.

21.4.- To approve or reform the Bylaws and Internal Regime Regulations.

When the resolution refers to the Bylaws, the express or tacit unanimity is required and when it refers to the Internal Regime Regulations, it may be adopted by majority.

21.5.- To learn of and to decide on the other matters of general interest to the community, deciding on the necessary or convenient steps to be taken for the best communal interest, among which are included, without excluding each other:

21.5a) The establishment of the participation ratios and their variation in the participation corresponding to each property.

21.5b) To acknowledge the legal modifications that each owner may carry out in his/her own property.

21.5c) To adopt the pertinent measures in the case that any owner or occupant of the building should carry out activities that are not permitted by the Bylaws, harmful, immoral, dangerous, discomfoting and unhealthy, making the necessary summons through the President or the Administrator and initiating the legal action provided in section 7 of the Condominium Property Law. The agreement of the majority is sufficient to said purpose.

21.5d) The approval of the material division of the properties to form other smaller and independent ones or the segregation of others, resolution which will also require the consent of the affected owners. The resolution will be adopted by majority, or by unanimity if it affects the incorporation title.

21.6.- To enforce the fulfilment of the obligations corresponding to each owner regarding:

21.6a) Respect and installations.

21.6b) Conservation of properties and their installations.

21.6c) Repair of the properties.

21.6d) Entrance to the dwellings and premises to the aforementioned purposes.

21.6e) Contribution to cover expenses.

21.6f) Construction of new floors which will require the express or tacit unanimity and the intervention by a Notary Public regarding the placing on record of the resolutions.

21.6g) To examine the identity of the attendants to the Meetings, requesting the necessary documents of proof.

21.6h) To examine if all the owners have been duly summoned before acting in each case.

21.6i) To see that the pertinent minutes are drafted, which will be signed by all the attendants in the Minutes Book.

21.6j) To decide on the extinction or not of the Condominium Property Regime by express or tacit unanimity and intervention of a Notary Public in the placing on record of the Minutes of the Resolution.

ARTICLE 22.- THE GOVERNING BOARD

22.1.- The Governing Board is made up by the President, Vice-President, the number of Vocals that the General Assembly determines, the Auditor or Auditors, the secretary and the Administrator.

22.2.- The functions of the Governing Board are:

22.2a) To prepare the contents of the Agenda of the General Meetings.

22.2b) To decide, with powers to resolve, on all matters that cannot wait until the holding of the General Meeting, informing on said resolutions afterwards.

22.2c) To hire the employees that are necessary, provided that previously the General Meeting has created the post and the budget unit has been duly assigned for salary payment, as well as for the dismissal.

22.2d) To draft, along with the Administration, the annual budget for expenses and income and to issue a report on the accounts, once they have been audited.

22.2e) Any other faculty that is expressly delegated or commissioned by the General Meeting.

ARTICLE 23.- THE PRESIDENT

23.1.- The owners will elect from among them a President who will represent, in court and out of it, the Community in the matters that affect it.

The president will be appointed by election or collaterally, by turns by rotation or by drawing lots. The appointment will be compulsory, however the appointed owner may request the release from the Judge within the month following the appointment, invoking the reasons for said decision. The Judge, by the procedure established in section 17.3, will make a decision and in the same will appoint the owner who will replace the president in the post until a new appointment is made in the period that is established in the court decision.

The Judge may also be called upon when, for any reason, it is impossible for the Assembly to appoint a president to the Community.

The president is in charge of the legal representation of the Community as the representative of the same, in court and out of it, thus on its behalf he/she will sign and carry out all the legal business in which the community is party.

23.2.- In the case of vacancy, absence, impossibility or illness, the Vice-President will substitute for the President, and will have the same faculties as the president when filling said post.

23.3.- The post of President will have a duration of one year, and may be renewed by decision of the Assembly and once accepted, he/she may not resign until said period is finalised, with the exception of that stated in the second paragraph of this article.

ARTICLE 24.- VICE-PRESIDENT

The appointment of vice-president will be made by the same procedure as that established for the appointment of president.

The vice-president will substitute the president in cases of absence, vacancy, illness or impossibility, and will assist him/her in his/her work in the conditions determined by the Owners' Assembly.

ARTICLE 25.- SECRETARY-ADMINISTRATOR

25.1.- The general assembly will appoint an Administrator or Secretary-Administrator, post which may be filled by any owner, as well as by individuals with the sufficient professional qualifications and who are legally empowered to carry out said work. Corporations and other body corporate may also be appointed in the conditions established by law. The functions will be those determined by the Condominium Property Law and those expressly specified and determined by the Procedure and Internal Regime Regulations of the Community, as well as the following:

25.2.- To safeguard the good keeping of the properties, installations and services and to make the pertinent warnings and notifications to the owners, that they must do so with the diligence of a good father head of family, in a manner similar to that set out in section 1.904 of the Spanish Civil Code, avoiding to incur in wilful misconduct, negligence or default regarding the fulfilment of obligations.

25.3.- To prepare with sufficient time in advance and to present to the Assembly the expected Expense Plan, proposing the necessary measures to cover the same which, once approved by the Assembly, he/she will distribute and prorate among the owners according to the ratio assigned to each property.

25.4.- This provision of funds for the Administrator will be made by year in advance, within a period of 30 days to be counted from the notification of the payment of the fee so that he/she will have sufficient funds.

This foreseeable expense plan must appear in the Minutes and must be available to all owners, the collection will be made by receipts to be included in the accounts when they are presented annually to the Assembly.

25.5.- To see to the conservation and maintenance of the communal elements, seeing to the ordinary repairs and regarding the extraordinary repairs, to adopt the urgent measures, immediately notifying the Assembly or the owners.

25.5a) The work of masons, painters, locksmiths, electricians, etc. for normal and ordinary damage that do not exceed the Budget or normal Plan are considered as repairs.

25.5b) The concept of maintenance includes the normal provision that does not exceed the Ordinary Expense Plan of fungible articles without which the communal elements could not be used.

25.5c) Regarding the extraordinary repairs, the urgent measure must be limited and strictly necessary, for the time being, to avoid further damage, immediately informing the Assembly and, if there is no possibility of convening it due to reasons of urgency, informing all owners.

25.7.- To carry out all the resolutions regarding works and to make the necessary payments and collections.

25.7a) Providing that the Assembly has acted within its faculties, the Administrator is under the obligation to heed its resolutions, even if they are not specifically referred to works.

25.7b) Regarding collections and payments, the Administrator must strictly follow the resolutions of the Assembly and safeguard documentation of the community and make it available to all owners.

25.8.- This documentation must be of two natures, public and private.

25.9.- PUBLIC DOCUMENTATION

The following must be kept under the Administrator's custody as public deed authorised by a Notary Public:

25.9a) The titles where the declarations of new works appear.

25.9b) The Bylaws or Regulations that form the contents and exercise of the Condominium Property.

25.9c) The material division of dwellings and premises, or the segregation or aggregation of part of them.

25.9d) The construction of new floors.

25.9e) The modifications of the incorporation title on the property.

25.9f) The extinction of the Property Regime.

25.10.- PRIVATE DOCUMENTATION

All the remaining actions of the Assembly and of the Administrator will appear at least in private document.

ARTICLE 26.- DURATION OF THE POSTS

The appointment to the governing posts will be made for a period of one year. Those appointed may be removed from their post before the expiration of this period by agreement of the Owners' Assembly, convened in extraordinary session.

CHAPTER V THE OWNERS' ASSEMBLY

ARTICLE 27.- ATTENDANCE

The attendance at the Owners' Assembly will be in person or by legal or voluntary representation, the representation only requires for its proof a writ signed by the owner.

ARTICLE 28.- REPRESENTATION

If any apartment or premises should belong proindiviso to different owners, these will appoint a representative to attend and vote at the meetings.

If the property were in usufruct, the attendance and vote will be made by the remainderman who, unless there is a statement to the contrary, will be understood to be represented by the usufructuary, and the delegation must be express when the resolutions to be adopted are those referred to in the first regulation of article 17 or extraordinary works or improvements.

ARTICLE 29.- NO RIGHT TO VOTE

The owners who are in the situation established in paragraph two of section 15 of the Condominium Property Law will not have the right to vote.

ARTICLE 30.- CONVENING OF THE MEETING

30.1.- As the legal obligations are demandable, when neither the President nor the owners who represent a fourth of the total of owners or a number of these who represent at least twenty-five per cent of the participation ratios convene the meeting, pursuant to section 16

of the condominium Property Law, any owner may appear before a competent Judge to request the calling of the meeting.

30.2.- The requirements for the calling of a meeting, whoever should convene it, are the following:

30.2a) Statement of the matters to be dealt with, which must comprise at least the budget and presentation of accounts in the annual ordinary meeting.

30.2b) Time, day and place the meeting is to be held, all clearly stated.

30.2c) It must be signed by the President, if it is he/she who convenes it, or by the requesting owners.

30.3.- As an exception to this rule, it is established that if the meeting had already been set in the previous meeting, expressly indicating the place, date and time of the matters to be dealt with, the Administrator may, as executor of the community resolutions, draft and sign the summons and send them to the owners, provided that the President or Vice-President for any reason is unable to do so.

30.4.- In addition to the previous requirements, the following are also necessary to call an extraordinary meeting, which may be as many as are deemed necessary:

30.5.- The matters to be dealt with must be clearly detailed on the Agenda, if not the resolutions regarding matters not included on the Agenda will be considered as void.

30.6.- The summons to these meetings will be made with as much prior notice as possible, so that the interested parties may be informed.

30.7.- The summons must be delivered to the address specified by each owner or if not, in accordance with that set out in the Condominium Property Law regarding notifications.

ARTICLE 31.- RESOLUTIONS

31.1.- The Assembly resolutions may be taken:

31.1a) By unanimity when the Law so requires.

31.1b) By majority.

31.1c) If this is not reached, by court ruling.

ARTICLE 32.- VOTES BY UNANIMITY

Unanimity will only be required for the validity of the resolutions that imply the approval or modification of the rules contained in the incorporation title of the condominium property or in these Bylaws.

Unanimity will also be required in order to establish the Bylaws, provided that the Promoter of the Complex has not placed them on record before the Community was established.

ARTICLE 33.- VOTES BY 3/5 OF THE OWNERS

The establishment or suppression of the services of lift, caretaker, concierge, surveillance or other communal services of general interest, including when it leads to the modification of the incorporation title or of the Bylaws, will require the favourable vote of three fifths of the total of owners who, in turn, represent three fifths of the participation ratios. The rental of communal elements that do not have a specific use assigned to them in the building, will also require the favourable vote of three fifths of the total of owners who, in turn, represent three fifths of the participation ratios, as well as the consent of the directly affected owner, if applicable.

ARTICLE 34.- MAJORITY OF VOTES

34.1.- The carrying out of works or the establishment of new communal services, with the purpose of eliminating architectural barriers that hinder the access or mobility of disabled persons, even when this should imply the modification of the incorporation title or the Bylaws, will require the favourable vote of the majority of owners who, in their turn, represent the majority of participation ratios.

34.2.- To the purposes established in the preceding paragraphs, favourable votes will be considered those of the owners absent from the Assembly, who were duly convened, who once informed of the resolution adopted by the attendants, in accordance with article 9, do not state their disagreement by communication to the person who acts as secretary of the community, within thirty calendar days, by any means that allows proof of reception.

34.3.- The resolutions validly adopted pursuant to this rule affect all owners.

ARTICLE 35.- MINORITY OF VOTES

35.1.- The installation of the communal infrastructures for access to the telecommunication services regulated in the Real Decreto-Law 1/1.988, of the 27th February, or the adaptation of the existing ones, as well as the installation of communal or private systems, solar panel systems or the necessary infrastructures in order to use new collective energy sources, may be agreed, at the request of any owner, by a third of the owners of the community who, in turn, represent a third of the participation ratios.

35.2.- The community may not require payment for the cost of the installation or adaptation of said communal infrastructures, nor the expenses derived from the later conservation and maintenance, from those owners who did not expressly vote in favour of the resolution in the Meeting. However, if later they should request access to the telecommunication services or energy sources, and this should require them to use the new infrastructures or the adaptations carried out to the existing ones, they may be authorised provided that they pay the corresponding amount, duly updated, applying the corresponding legal interest.

35.3.- Without prejudice to the preceding regarding the conservation and maintenance expenses, the new infrastructure will be considered, to purposes set out in this Law, as communal element.

ARTICLE 36.- SIMPLE VOTES

For the validity of the remaining resolutions, the vote of the majority of the total of owners, who in turn represent the majority of participation ratios, that is, half plus one of all the owners who attend and who are absent, on first call, and on second call, which is understood to be established half an hour later, half plus one of the attendants. Provided that this majority represents in turn, more than half of the ratios of those present.

ARTICLE 37.- REFUTABLE RESOLUTIONS

The resolutions that are against the Law or the present Bylaws, which are harmful to the community or which imply a serious harm to any owner, will be refutable before the Court by any of the dissident owners, by the procedures established in section 18 of the Condominium Property Law, but the resolution will be provisionally executable, unless the Judge orders its suspension.

ARTICLE 38.- MINUTES BOOK

The resolutions reached by the Owners' Assembly will appear in a Minutes Book, which is presented to the Property Registry in the manner established in the regulations, and the minutes of each meeting of the Owners' Assembly must express, at least, the requirements set out in section 19 of the Condominium Property Law.

ARTICLE 39.- CIVIL LIABILITY OF THE OWNERS

The civil liability of the properties, that is, of the dwellings and premises, will be private to each owner, unless it is agreed to subscribe a collective insurance policy against fire and civil liability on said properties.

ARTICLE 40.- CIVIL LIABILITY OF THE COMMUNITY

The civil liability of the communal elements, -gardens, pools, infrastructure installations, etc,- will be apportioned, according to the ratios, between all the owners belonging to the Complex.

ARTICLE 41.- NEGLIGENCE

The fault or negligence attributable to the owners of a property will be their own responsibility.

ARTICLE 42.- INSURANCE

For the safety of the property and of the installations of the Complex, the Civil Liability insurance policy that the General Assembly deems necessary will be subscribed.

ARTICLE 43.- CONDOMINIUM PROPERTY

The Condominium Property Regime will be extinguished by reasons determined by Law.

ARTICLE 44.-OTHER MATTERS NOT APPEARING

Any matter that does not appear in the present Bylaws will be regulated by the Condominium Property Law and the Procedure and Internal Regulation Regime Regulations of the Community that are established to said purpose.



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