

GOLF RIO REAL VILLAGE ALTAMIRA REAL ESTATE DEVELOPMENT
BLOCKS 1 & 2 & COMMERCIAL

TITLE ONE

OF THE COMMUNITY OF PROPERTY OWNERS

ARTICLE I – SCOPE

Plot of land A and R Rio real Urbanization, district of Rio real, municipality of Marbella, plot number 19616 and 11497 in Land Registry number 1 of Marbella.

With the purpose of regulating the relationships arising from the co-ownership of elements among the various buildings involved, as well as the obligations and rights of the individual unit owners (said units being apartments, garages and storage rooms) in the community, with a view to a better use, maintenance and promotion of the complex, with its' facilities and services, these rules have been established, which are equally binding on all owners and on the persons who may live with them or otherwise occupy the individual units which they own.

ARTICLE II. WHO FROM THE COMMUNITY.

The Community of Property Owners is necessarily and compulsorily formed by all the owners of apartments, garages and store rooms, installations and services currently existing in the complex.

Given that all the building in this development are divided in accordance to the Ley de Propiedad Horizontal [Spanish Commonhold Act] in individual apartments, garages and storage rooms, the ownership and representation of these units in the General Community corresponds to each unit owner in accordance with these Statutes and, where nothing is provided herein, in accordance with the Ley de la Propiedad Horizontal, as background law.

ARTICLE III. – RULES GOVERNING THE COMMUNITY.

The Community of Property Owners shall be governed by these Statutes and, subsidiarily, insofar as they may be applicable, by the provisions of the Civil Code regarding communities (title 39 book 2) and by the Ley de Propiedad Horizontal.

ARTICLE IV. – THE COMMUNITY AND ITS NAME.

The Community of Property Owners Altamira 1* Phase Golf Rio real Village (“Comunidad de Propieteros, Altamira 1* Fase Golf Rio Real Village”) has been created to regulate the use and enjoyment of the common elements, as well as the apportionment of charges and expenses necessary for its' adequate maintenance.

ARTICLE V. DOMICILE OF THE COMMUNITY.

The domicile of the community of Property Owners is established at Urbanization Rio real Village, Altamira I, Marbella.

ARTICLE VI – PURPOSE OF THE COMMUNITY.

The Community so constituted has as its' main purpose to ensure: a) – The better enjoyment, advancement, repair, maintenance and improvement where applicable, of the elements and services for the common use and those constituting the infrastructure of the complex. B) – The enforcement of the legal provisions and internal rules as may be agreed, by a simple majority, aimed at preserving the character and standard of the complex. C) – The harmonious relations among all unit owners.

TITLE TWO: OF UNIT OWNERS

ARTICLE VII – OF UNIT OWNERS

In accordance with article II of these rules, the Community of Property Owners shall necessarily and compulsorily be formed by all the owners of the freehold estate in the units in the development. Any person who acquires, by any title, an individual apartment, garage or storage room, automatically participates in the rights and obligations of the Community of Property Owners with the exceptions specified in article XVI.

The condition of member of the Community cannot be waived and will only be lost when losing the ownership or co-ownership of the unit and pertaining elements. Consequently, any simple waiver in respect of the Community shall have no effect, and shall not exempt the unit owner from paying ordinary or extraordinary assessments due for common expenses incurred or budgeted, and in general from any of the obligations attributed to unit owners by the law and regulations or by these Statutes.

Each unit owner may freely dispose of his/her estate provided its constituent elements are not separated and the obligations arising out of the situation regulated by these Statutes is not modified, Consequently, transfer of a unit shall effect a new unit owner in the same way as it affected the former unit owner.

ARTICLE VIII – DOMICILE OF UNIT OWNERS

For any matters related to the Community the unit in the development shall be deemed to be the legal and official residence of the unit owner, and all the persons involved in the Community are submitted to the jurisdiction of the Courts and Tribunals of Marbella for any controversies arising from their relations with the Community. However, and irrespective of the legal domicile, unit owners wishing to have their communications sent to a different domicile shall communicate it in writing to the Administrator of the Community of Property Owners.

ARTICLE IX – OF PRIVATE INDIVIDUAL PROPERTY AND COMMON PARTS

Unit owners have absolute ownership of the space delimited by their apartments, garage, or storage room, the installations included within its boundaries for the exclusive service of the owner, and with appurtenances specifically set forth in the master deed, and especially of the exclusive and excluding use of the garden area or terraces in accordance with the deed and with the exceptions of article XVI, and co-ownership, in conjunction with the other unit owners, of the remaining common elements of the Community of Property Owners, in accordance with their assessment quotas.

The common elements of the Community of Property Owners include, but are not limited to: the common land, basements, supporting pillars, and retaining walls, roof, party and outer enclosing walls stairways, landings, general drainpipes, water, light telephone, TV aerials, satellite dishes and similar.

ARTICLE X. – OF THE COMMON ELEMENTS OF THE COMMUNITY

Unit owners forming the Property Owners' Community have a right of co-ownership in respect of the elements of the Community, which include, but are not limited to the following:

- 1.- Surface roads, streets, footways, pavements, walk-on terraces and squares, etc.
- 2._ Green areas, gardens, including those for private use, verges and fountains.
- 3._ Surface parking spaces except private ones.
- 4._ Wastewater station and water pump station.
- 5._ General drainage network up to the point of entry to individual plots or buildings.
- 6._ Networks for the collection and distribution o water; high and low voltage electricity supply networks and transformers ort substations.
- 7._ Lighting networks and light points. Swimming pools, general washrooms and any other elements for general use of the Community, whether existing or created.

8. The external appearance of buildings and installations form an harmonious ensemble, very carefully studied and it is the most typical element in the configuration of the development, being the property of all. For this reason, any future alterations of the same must be approved by the Property Owner's Community, and any change caused by an owner's action shall be reinstated the owners expense. Any alterations must be approved beforehand by the relevant governing body.

Works carried out by the developer prior to the constitution of the Community, as well as those required for completion of the development are exempted.

ARTICLE XI – INDIVIDUAL UNITS

The common elements of the Property Owner's Community are necessarily tied in respect to their ownership, use and enjoyment to the dwelling, garage and storage units (hereinafter, "the units" and may only be segregated, alienated, encumbered or seized together with the specific individual unit to which they are inseparably attached. Where a unit is alienated, the owners of the other units shall not enjoy by virtue of their ownership any rights of pre-exemption [i.e. first refusal] or redemption.

ARTICLE XII – ASSESSMENT QUOTA

Each individual unit shall be allocated an assessment quota [also known as percentage or coefficient] in the general Community, which quotas shall total one hundred. The quota or coefficient of each unit in the general Community shall be taken into account for the purposes of voting. Apportionment of profits and expenses shall also be done according to said coefficient.

TITLE THREE: OF RIGHTS AND DUTIES OF UNIT OWNERS

ARTICLE XIII – RIGHTS OF UNIT OWNERS.

The rights of the unit owners are:

- a) To hold absolute ownership of their unit, with the power to cede to third parties their ownership and use with all rights inherent in ownership by any means admitted by the law and by these Statutes.
- b) To enjoy any benefit to be obtained from the Property Owners' Community.
- c) To speak and vote at the meetings of the General Assembly, and to be eligible for President, Vice-President or Board Member., and be allowed to examine the accounts.
- d) To be entitled to use and enjoy the installations and facilities of the Community in accordance with the provisions of these Statutes.
- e) To exercise any other right arising from these Statutes or from the law.

ARTICLE XIV. – DUTIES OF OWNERS

The duties of owners shall be:

a) To punctually fulfil their obligations of any kind and especially the financial rules in accordance with these Statutes and with the requests and resolutions of the General Meeting of the Governing Board, the President, and the Administrators of the Community of Property Owners. Particularly, unit owners shall contribute, according to the unit's assessment quota to the reserve fund that must exist in the Community of Propriety Owners to take care of maintenance and repair expenses of the development. The said fund, which shall first be established at fifty percent of the amount of the annual expenditure budget, shall be owned, for all purposes by the Community.

- b) To respect common installations physically located in their unit.
- c) To maintain their own unit in good repair, so that no harm is caused to the community or other unit owners, making good any damages produced by their negligence or by their dependants' (including their tenants or guests of any kind).
- d) To consent to any repairs in their unit required for the maintenance of common services or individual units, that is, should an individual unit or a common area be suffering some damage

because of a breakdown located in another unit, the owner of this unit shall allow access thereto so that it can be repaired, even if the works must be carried out in this unit and not in the unit suffering the damage. Unit owners shall likewise permit indispensable easements required to create common services of general interest, being entitled to compensation for any damage sustained.

e) To allow access to their unit for the purposes stated in the three preceding sub-articles. In cases of absences and emergency, the administrator may open the door and shall notify the absent owner by telegram.

f) To contribute according to the assessment quota set forth in the master deed or to what may have been especially established, to the overall expenses for the appropriate maintenance of the building, its services, charges and any responsibilities that cannot be allocated individually **and to the upkeep and repair of the parts that are visible from the outside, as their aspect affects the general appearance of the development, and to refrain from posting signs, aerials, items or materials and paint that, in the opinion of the Community President or General Administrator, may alter the aesthetics of the development as a whole.**

g) To observe due care in the use of the property in their relationship with the other unit owners and to account for any violations or damage caused by the occupants of their unit. Dwelling units shall exclusively be used for residential purposes.

h) To refrain from causing any damage or alteration to the elements or services intended for the common service, and to indemnify the Community for those caused by the owners themselves, by their dependants or by those to whom the owner should have ceded the use and enjoyment of their unit by any means.

i) Any future reform in the individual units, including the change of colour, when visible from the outside, shall be expressly approved beforehand by the Governing Board, the President or the General Administrator of the Community.

Alteration work in individual units shall not require prior approval provided they are not visible from outside, and do not affect common or structural elements.

In any case, alteration work shall be carried out within the hours and dates that the Governing Board, the President or the Administrator may establish, with the purpose of causing as little nuisance or noise to the remaining unit owners.

j) The following activities are prohibited in the development:

1. Industrial activities in general, as well as noisy, inconvenient, unhealthy or hazardous activities, including, but not limited to the following: the use of radio or television sets, cassette or CD players, loudspeakers or similar devices whether outside or inside the unit at a volume that may inconvenience the occupants of adjoining units or third parties in general, especially from twelve midnight, as at this time the volume must be reduced to the lowest level. Likewise, the use in apartments of wooden shoes or other items that may cause inconvenient noise to neighbours or third parties in general.

2. The circulation in drives or roads of motorbikes or other vehicles with no exhaust reduction devices, or for speed competition or any other use that may represent a hazard or inconvenience to residents. The Community may, in this respect, adopt appropriate measures to limit speed or prevent circulation of vehicles not complying with adequate requirements to ensure safety, tranquillity and harmonious coexistence in the development.

3. The installation of racks or lines for hanging clothes to dry that are visible from the outside. Therefore, only retractable devices, which may be hidden from view, thus not affecting the appearance of the development are allowed.

4. The placement on terraces of lights or external lighting systems, parasols or similar devices, awnings or systems of curtains that are not in keeping with the colours selected for the purposes by the Governing Board or, in default of Board of such provisions, by the developer.

5. The installation of permanent items, such as aerials or similar devices on any location on the façade or terraces, which may only be installed in the places reserved for the purpose to place aerials on the building's roof.

6. The hanging of clothes, draperies and towels on the roofs, as well as on the balcony railings or front walls of individual units.
7. The cleaning and shaking or beating of rugs or carpets, draperies, clothing and similar outside balconies or windows.
8. The use of garden or general common areas for picnic meals or any use other than that for which they are intended.
9. Children's games in building's portals, corridors and stairways.
10. The placement of items, pieces of furniture, flowerpots, bicycles, utensils, ornaments in the portals, corridors and other areas of communal use without the prior approval of the President or the General Administrator of the Community.
11. The Placement of rubbish bags in the corridors and other areas of communal use, including the use of litterbins in the garden areas to deposit rubbish bags. All unit owners have the duty to follow the instructions established by the Governing Board, depositing the rubbish bags in the designated area.
12. The removal of debris from works carried out in individual units shall conform to the instructions issued from time to time by the Governing Board, the President or the General Administrator. In no event shall they be deposited directly on the ground, the use of skips being compulsory.
13. The circulation of pets not accompanied by their owners or a responsible person. Dogs shall always be on a leash, and the owner shall remove any mess caused by their pet.
14. The storage of flammable materials that may represent a fire hazard.
15. The washing of cars, both in the parking area and in any common area, as well as the use of hydrants for this purpose, except in the places and manner indicated by the Administrator.
16. The repair of any vehicle, whether in the parking area and in any common area, with the exception of small, sporadic, simple operations such as changing a tyre.
17. The parking of cars or other motor vehicles in the general parking area for periods of more than seven days at a time.
18. **The parking of caravans, boats or other fixed or mobile elements in the general parking area.**
19. The placement of any signs unless previously approved by the Board, the President or General Administrator of the Community. In any event, it is forbidden to place any sale or rental signs within the development.
20. The alteration of the original ventilation and aspiration systems, and particularly the installation of extraction or ventilation devices that in any way alter the original condition of said system.
21. The installation of grilles or iron bars on doors or windows which are not in keeping with the type selected for the purpose by the Governing Board or, in defect of the Board, by the developer.
22. The cleaning of balconies with buckets or hoses that may cause water to fall on the individual units or common parts below.
 - k) As a general principle, all unit owners shall endeavour to avoid any actions or omissions that may impair the excellence, the harmonious coexistence and the good taste that should prevail in the community living so as to maintain the dignity and social standard desirable in the development, to its obvious benefit, and ultimately, to benefit of all unit owners forming it.
 - l) In any event the infringement of the rules under this article shall give place to the admonition of the unit owner or dependant and, in case of repetition, to the adoption of the relevant measures against the offender, as provided by the law.
 - m) Should the rules be contravened regarding the installation of aerials or satellite dishes outside common areas, the Administrator is empowered, should the unit owner fail to remove them within seven days, to have them removed by the persons designated by the Administrator, at the expense of the offender, In case of other non-authorized fixed elements or signs in terraces or common elements, the same procedure shall be followed.

n) Given that the intended standard of community living should be in keeping with the standard of the development, the Governing Board, the President or General Administrator, are expressly empowered to determine, at any time, some rule of special application that is not expressly included in these Statutes. Individual units shall be attached to payment of said obligations and payments.

ARTICLE XV. – ALTERATIONS. INSTALLATIONS. IMPROVEMENTS AND PROHIBITIONS.

Owners of individual units may modify the architectural elements, installations or services of their unit, giving prior notice to the community Administrator, provided such work does not impair or alter the safety of the building, its overall structure, its external appearance or condition, or prejudice the rights of another unit owner. Unit owners shall not make any alteration whatsoever in the rest of the building. If unit owners notice the need for urgent repairs, they shall bring it to the attention of the Administrator without delay. The owner and the occupant of a unit shall not carry out in such unit or in the rest of the building any activities not permitted in these Statutes, or which are noxious, immoral, hazardous inconvenient or unhealthy. Any violation shall give place to admonition of the owner or occupant of the unit and the relevant denunciation to the competent authority.

The owners of units entitled to the exclusive and excluding use and enjoyment of communal garden areas may not alter their configuration or enclose them.

Should the offending owner or occupant ignore the admonition, the President or Administrator may urge and obtain in court the deprivation of use of the unit by the owner or occupant. Said deprivation shall be for no more than two years, depending on the seriousness of the offence, and shall not affect the remaining ownership rights and duties. The President or the Administrator may also act against the occupant of a unit who is not the owner, to obtain from the Judge the eviction or termination of the lease, as it may be, but may exercise this right only where the owner failed to do it within the term indicated in the notice.

Should an owner make alterations to the exterior of their unit without the required permission of the City Council and the Community, the President or the Administrator are empowered to obtain an injunction and request in the courts the demolition of the illegal works. Any and all expenses arising there from shall be charged to the owner who executed.

The dwelling units may be physically divided to form other, smaller, independent units, enlarged by the aggregation of adjoining units or reduced by the segregation of some of their constituent parts. In such cases, besides the consent of the unit owners involved, the approval of the General Assembly shall be required. The General Assembly shall be responsible for establishing the new assessment quotas for the modified units, pursuant to legal provisions, without altering the quota of the remaining units. No unit owner may demand new installations, facilities, services or improvements not required for the correct maintenance and use of the units, in accordance with their nature and characteristics.

Where resolutions are validly adopted to carry out improvements that may not be imposed in accordance with the last preceding paragraph and whose cost of installation exceed the ordinary common expenses for one month, dissenters shall not be bound, nor their fee modified, even where they cannot be deprived of the improvement or benefit. Innovations impeding or barring any unit owner from using and enjoying any part of the building shall require, in any case, the express consent of such owner. Alterations to the structure or the supporting walls of the building or common elements affect the master deed and must be submitted to the procedure established for its amendment.

The resolution adopted to this respect shall determine the nature of the modifications, the resulting alterations as to the description of the property and/or the units, the variation in the assessment quotas and the name of the owner(s) of the new units. The transfer of the right of the use and enjoyment of the unit, whether by lease or other legal means, shall not affect the obligation of the unit owners.

ARTICLE XVI – OF THE SWIMMING POOLS

All the owners of apartments in the development, as well as their family-members, guests or tenants, are entitled to the use and enjoyment of the swimming pools, garden areas, located in the development. The owners of garages and storage spaces who are not apartment owners are not entitled to use the said facilities.

No meals, picnics or parties will be allowed in the swimming pool area without prior consent of the Governing Board, the President or the Administrator of the Community. Games that may inconvenience users shall also not be allowed.

ARTICLE XVII. – DETERMINATION OF PAYMENT OF COMMUNITY ASSESSMENTS

The General Administrator shall prepare the annual budget to cover expenses relating to the common elements of the Community and their contribution towards the expenses of the development of sector “Rio Real” and shall submit it to the President and Governing Board some weeks prior to the date of the Annual General Meeting, so that it can be approved at said meeting.

The community assessments shall be payable in two instalments, the first one during the month of January, the second one during the month of July, in both cases without and surcharge, and with a surcharge of 20% as from February and August, respectively, by way of delay interest. Together with the first instalment of the first year a second bill will be issued for the same amount to create the compulsory reserve fund.

These instalments may be modified at the discretion of the Governing Board.

Those owners failing to comply with these payment periods shall be considered to be in default and the Community may claim payment via the courts as from 1st February or 1st August, as the case may be. For this purpose the President and the Administrator are expressly empowered to appoint solicitors and court attorneys and to undertake the relevant legal proceedings. All expenses arising from these proceedings shall be at the exclusive expense of the debtor.

TITLE FOUR: OF THE GOVERNING BODIES OF THE COMMUNITY

ARTICLE XVIII. GOVERNANCE OF THE COMMUNITY

The President, Vice-President and Administrator shall not be responsible to the Community for any damages unless caused by their negligence. The Community shall assume any expenses incurred by the President, Vice-President or Administrator for any damage, expenses and charges incurred while performing their duties, unless the damage was caused by gross and repeated negligence on their part.

ARTICLE XIX – GOVERNANCE AND MANAGEMENT BODIES.

The governing bodies of the General Community shall be by the following:

- a) The General Assembly.
- b) The Governing Board.
- c) The President.
- d) The Administrator.

The management of the Community shall correspond to the General Administrator.

ARTICLE XX. – OF THE GENERAL ASSEMBLY

1. The General Assembly is composed by all unit owners in the Community of Property Owners, and is the Supreme Body of the Community for the governance of its’ interests and rights, as well as to co-ordinate the interests and rights of individual owners.
2. The meeting of the General Assembly (i.e. Annual General Meeting) shall be held at least once a year in ordinary session to deal with the following matters:
 - a) Approval of the minutes of the previous meeting.
 - b) Report on activities, actions and events since the previous meeting.

- c) Financial report and situation.
- d) Examination and approval, if fitting, of the annual accounts for the preceding financial year.
- e) Approval of the expenditure and income budget for the incoming year.
- f) Election of the President and Vice-President.
- g) Election of three Board Members.
- h) Appointment or ratification of the General Administrator.
- i) Increase or reduction of ordinary community assessments and establishment, if fitting, of extraordinary budgets, as the case may require.
- j) Determination of amount to create or increase, if fitting, a reserve fund.
- k) Any other business of interest for the Community.
- l) **Questions and suggestions.**

3. The meeting of the General Assembly shall be held in extraordinary session (i.e. Extraordinary General Meeting) when the President sees fit, at the request of unit owners representing 25% of the total coefficient of members of the Governing Body representing 2/3 of the said total.

The summonses for the Annual or Extraordinary General Meeting shall be sent by the President with 15 days notice, at least. The summons shall contain the date, place and time for the first call and sufficient indication for the second call, further to the items on the agenda.

4. The Annual or Extraordinary General Meeting shall be validly constituted on the first call with a quorum of 50% plus 1 owner present or duly represented, representing in turn a majority of the assessment quotas, or on the second call with any number of owners present or represented.

Unit owners may attend meetings of the general assembly in person or by legal or voluntary representation, for which a written proxy signed by the unit owner is sufficient accreditation provided it includes the name of the owner, the unit, the date of the meeting, the date on which the proxy is issued and the name of the proxy. Where the unit belongs to a commercial company, the representative shall be accredited with the relevant power of attorney.

At the beginning of the meeting, the President shall declare under his/her responsibility that the requirements of sub-article 3 of this article have been complied with, but shall not be responsible for the non-reception of the summonses by owners.

The roll call of owners present shall be proceeded with and, if there is the quorum referred to in the first paragraph of this sub-article, the meeting will be opened, and only the matters on the agenda shall be discussed and voted on.

On the second call no quorum is required, and the resolutions shall be valid, just as on the first call, with the vote of a majority of owners present and represented, representing in turn a majority of the coefficients of owners present and represented.

ARTICLE XXI – OF RESOLUTIONS OF THE GENERAL ASSEMBLY

The resolutions of the meetings of the General Assembly shall comply with the requirements set forth by the Ley de Propiedad Horizontal, and subsidiarily with the following rules:

- a) Unanimity shall be required for the validity of resolutions involving approval or modification of the rules contained in these Statutes. Those owners who, having been duly summoned, failed to attend the meeting shall be notified in an authoritative manner of the resolution adopted by those present, and if did not state their dissent in the same manner within one month from the notification, shall be bound by the resolution, which shall not be executive until the lapse of the said period of time, except if they stated their agreement before said time.
- b) All other resolutions shall be adopted with the vote of a majority of the total number of present or represented unit owners representing a majority of the assessment quotas of owners present and represented.

- c) Where a majority cannot be reached by the procedures provided for in the preceding paragraphs, the Judge, on petition of an interested party, shall adjudge in equity.
- d) Where unit owners representing at least 25% of the total assessment quotas should deem a majority resolution to be seriously detrimental for them, they may approach the Judge to obtain a decision on the validity of the resolution. The Judge's ruling shall be executive and final, notwithstanding the right of the parties to undertake any action available to them.
- e) Resolutions contrary to the law or to these Statutes may be challenged in court by any of the dissenting owners, but the resolution shall be provisionally executive, unless the Judge orders its suspension. The action must be undertaken within 30 days of the resolution or its notification if the person challenging was absent.
- f) The Marbella judge shall have jurisdiction to hear the issues referred to under sub-articles c) and d) of this article.
- g) The resolution of the general assembly shall be recorded in a book of minutes stamped and validated by the Land Registrar or by the Notary Public.

ARTICLE XXII – OF THE GOVERNING BOARD

1. – The General Assembly to better achieve its ends, may constitute a Governing Board whose members shall be designated or ratified annually.
2. The Governing Board shall be composed of the President, one Vice-President and 3 other members.
3. The President and Vice-President of the Community shall also be President and Vice-President of the Board.
4. The duties of the Governing Board are:
 - a) To hear and resolve on matters submitted by the Administrator or the President, except where the General Assembly has the exclusive competence.
 - b) To approve or reject the proposal for the General Assembly to hold an Extraordinary General Meeting except in a case of urgency in the opinion of the President.
 - c) To approve and establish the agenda of the Annual and Extraordinary General Meeting.
 - d) To approve the organic staff of the Community.
 - e) To exercise functions of assistance and advice to the President's decisions.
 - f) To control the steps of the President, Vice-President and Administrator, ensuring that the resolutions of the General Assembly are complied with.
5. The resolutions of the Governing Board shall be adopted by a majority vote.
 The Governing Board shall hold a meeting when convened by the President, or half plus one of its members, and it shall be called with at least 8 days notice. The quorum for resolutions shall be three members. In case of a tie, the President shall have the casting vote. All the offices on the Governing Board, with the exception of the Administrator – who will record the resolutions in the minute book – are voluntary and non-remunerated; Their term of office shall be one year, and the officers may be indefinitely re-elected.

ARTICLE XXIII – OF THE PRESIDENT

The President of the Community shall always be an owner and shall have the following duties:

- a) To call and chair the meetings of the General Assembly and the Governing Board with power to maintain order.
- b) To enforce the provisions of these Statutes and the Internal Rules of the Community.
- c) To represent the General Community, appearing in person or represented by a lawyer or attorney before all kinds of public or private entities, agencies and offices of the State, Province or Municipality, courts and tribunals of every kind and type, to formulate claims and petitions as deemed fit, promoting or opposing any kind of court cases and appeals, and to desist and compromise in respect thereof.

- d) To demand and receive the accounts from the Administrator, presenting to the General Meetings those for the outgoing year and the ordinary and extraordinary budgets for the incoming year.
- e) When the President deems some resolution of the Governing Board as contrary to these Statutes or to the Internal Rules, or detrimental to the interests of the Community, he may provisionally suspend its execution so that it is newly discussed and finally voted on at the following ordinary meeting of the Board, or suspend it indefinitely, convening the meeting of the General Assembly to be held within less than one month.
- f) To better achieve his purposes, the President may delegate some of his faculties to third parties, granting them the necessary powers.
- g) The President shall further perform any functions expressly delegated to him by the General Assembly or the Governing Board.
- h) The President shall further have the powers conferred to him/her by the laws.
- i) In cases of absence, incapacity or holidays of the President, the duties of the President shall be performed by the Vice-President and, in default of the Vice President, the eldest Board Member.
- j) The President has the power to appoint solicitors and attorneys and to undertake legal proceedings against defaulters when he/she deems fit.

ARTICLE XXIV. – OF THE VICE PRESIDENT

The Vice-President shall replace the President in cases of absence or vacancy in all the inherent functions and powers in accordance with these Statutes and with those entrusted to him/her by the Governing Board.

ARTICLE XXV. – OF THE AUDIT AND ACCOUNTS COMMITTEE

The General Assembly shall appoint an Audit and Accounts Committee, made up by two members and two substitutes.

The function of the Audit and Accounts Committee shall be to review the Community accounts and report to the General Assembly with its' conformity, proposals of modification of the accounts for the outgoing financial period, opinion regarding extensions or reductions proposed for the incoming financial period and disclosure of errors or infractions that might have been detected. For the performance of its duties the books of accounts and backup documentation, including payment receipts, shall be made available to the Audit and Accounts Committee. The Administrator or clerks shall advise them and lend them assistance as regards financial information whenever requested for the said performance.

ARTICLE XXVI – OF THE MANAGEMENT OF THE COMMUNITY

The management of the General Community is entrusted to the General Administrator, to whom competence, assistance and necessary means shall be given for the performance of the functions attributed to him, regarding administrative, accounting, secretarial services and others.

The Administrator General, in order to be able to provide a more efficient and closer service to unit owners shall have his professional office in the city of Marbella.

ARTICLE XXVII – OF THE GENERAL ADMINISTRATOR

- 1. – The General Administration shall have the functions of delegated representation, proposal, execution of resolutions and information, as well as assistance to the Community governing bodies and to unit owners who may request it.
 - a) As regards the function of delegated representation, the Administrator shall exercise it before any public or private, administrative or judicial bodies of any kind, order or jurisdiction; civil or commercial, physical or legal persons, with the powers granted for the purpose.
 - b) Within the functions of proposal, the General Administrator shall:
 - prepare the expenditure budget with due anticipation, providing for the means necessary to cover them.

- Make the proposal of organic staff and its modifications, when fitting.
- c) As regards the executive function, the General Administrator shall:
- to execute resolutions adopted by the governing bodies of the Community.
 - to execute the budget, by authorising or ordering payments and collection of funds, as well as to submit accounts
 - to ensure the proper management of the installations and services, and to advise and admonish owners to that effect.
 - to see and upkeep the maintenance of common elements, arranging for ordinary repairs and, as regards extraordinary ones, adopting urgent measures where necessary; and to report promptly to the President.
 - to act, where applicable, as Secretary to the General Assembly and to keep custody of Community documents available for perusal by the unit owners.
 - to establish the appropriate rules of behaviour intended to achieve harmonious coexistence.
 - to sign the necessary contracts for the maintenance of supplies required for common elements.
 - to keep the book of minutes, register of unit owners, collections and payments, and accounts; to take and draft the minutes of the meetings of the General Assembly and the Governing Board, and to sign them with the approval of the President.
 - to open current accounts as necessary in the banks where the owners must deposit their payments and to dispose of funds where appropriate.
- d) Lastly, to inform and advise the governing bodies of the Community and the unit owners, and to carry out any other functions conferred on him by the Governing Board or the Community President.
2. – The remuneration of the General Administrator – who shall belong to the professional College of Property Administrators – shall be determined by the General Assembly.
3. – All the powers indicated above shall always be exercised by the General Administrator under the supervision of the President, whose instructions must be followed by the General Administrator unless the Governing Board or the General Assembly have conferred them with specific instructions.

TITLE FIVE

OF THE RECEIPTS

ARTICLE XXVIII. – BANK ACCOUNT

All financial contributions of the unit owners to the Community, and any other income, shall be deposited in a bank account in the name of the Community.

ARTICLE XIX. – DISPOSITION OF FUNDS.

To dispose of funds from the said account only the signature of the Administrator shall be required.

ARTICLE XXX. – DESTINATION OF FUNDS

The funds may only be destined to payment of obligations contracted for the fulfilment of the ends and settlement of current budgeted expenses of the General Community and the development of sector ‘Rio Real’. Those expenses that cannot be considered ordinary and provided for in the budget because of their nature or amount, and that must urgently be paid, may be provisionally authorised with the joint signatures of the President and the Administrator, notwithstanding subsequent ratification of the Governing Board.

TITLE SIX

DAMAGES—INSURANCE

ARTICLE XXXI. — LIABILITY OF UNIT OWNERS.

Unit owners shall be liable to the Community for any damages caused in the common areas, by any reason, by themselves, their dependants or by any person occupying their unit.

Likewise, commercial services providers shall also be liable to the Community for any damages caused by themselves or their staff.

In the same way, the owners of dwelling or garage units, and the commercial services providers shall be liable to other unit owners for the damages caused, by any reason, by themselves, their dependants or by any person occupying their unit.

ARTICLE XXXII. — PENALTIES.

Non-compliance with the rules set forth in these Statutes shall give place to legal action so that the courts may determine the responsibility of the offender.

ARTICLE XXXIII. — CARRYING OUT WORKS.

Prior to carrying out works a deposit shall be made to respond of possible damages to common elements.

Should there be no damages by completion of the works, the deposit shall be returned, but if there should be any damages they shall be repaired by the interested party within 7 days of the request. After the lapse of this period of time, the repairs shall be carried out against the aforesaid deposit subject to the corresponding responsibilities if the cost of the repairs were higher.

Materials for works may only be left in the streets, provided they are duly orderly and tidy and allow the free circulation, in the places or areas determined by the Governing Board, the President or the general Administrator.

Debris shall always be deposited in appropriate skips.

The name of the contractor, commencement, time and duration of the works shall be previously communicated to the Administrator. Working times shall be comprehended between 8:00 am and 2:00 pm and from 3:30 pm and 6:00 pm, and working days shall be Monday to Friday. No works shall be carried out outside the said times or on Saturdays, Sundays and holidays. Any works commenced without the prior communication and consignment of the deposit to cover any damages shall be deemed forbidden with the effects provided for by the law and these Statutes.

ARTICLE XXXIV. — GENERAL INSURANCE

Irrespective of the insurance policies that every owner has the right to take out at their own expense, common elements shall be insured against fire, catastrophic risks of all kinds, personal injuries, accidents and any other risks, with sufficient coverage for any event or contingency that, in the opinion of the President, may be necessary or advisable to provide for. The premium and other insurance expenses shall be charged to the Community.

ARTICLE XXXV. — DISCREPANCIES BETWEEN UNIT OWNERS OR BETWEEN THESE AND SOME GOVERNING BODIES OF THE COMMUNITY.

Any discrepancies between unit owners or between these and any of the bodies of the General Community shall be solved under the private law Ley de Arbitraje (Arbitration

Act) except in the case expressly reserved in these Statutes to the jurisdiction of the courts.

ARTICLE XXXVI. – ENLARGEMENT OF THE GENERAL COMMUNITY.

Should the Community of Property Owners be enlarged, any persons or units to be incorporated shall be asked to accept these Statutes and the system of apportionment of expenses described above.

ARTICLE XXXVII. – OF THE STAFF AT THE SERVICE OF THE COMMUNITY.

The staff employed by the Community shall have the duty to know these Statutes and to report to the General Administrator any anomalies with respect to them.

Article xxxviii. – of the urbanization Rio Real.

Given that the community of Property Owners is to become part of the development “Urbanizacion Rio Real de Marbella” (hereinafter, “the Urbanization”), the former shall financially contribute to the latter, and shall include its contribution in the annual budget of expenditure, regarding the expenses arising from the repair, upkeep and improvement where appropriate, of the elements and services of communal use pertaining to the infrastructure of the Urbanization for the purpose of achieving the best use and enjoyment of said elements. The said infrastructure consists, but is not limited to the plots intended for green areas, equipment and streets of the development and the public lighting of sector Rio Real.

Unit owners in the Community shall also abide by the general and internal rules and regulations that may be agreed to conserve the character and standard of the Urbanization and the harmonious relationship amongst all unit owners.

ARTICLE XXXIX. – OF THE COMMERCIAL & OFFICE BUILDING.

The owner of the said unit shall be able to transact business or to carry out repair, alteration or improvement works without any limitations except those that set forth by prevailing legislation. Given that the said business premises unit, building and service areas constitute an independent functional unit, its contribution to community charges shall be restricted to general expenses that cannot be allocated to individual blocks, excluding those relating to the garden and swimming pool, according to their assessment quota. Given the commercial nature of said unit, its owner shall not be entitled to the use and enjoyment of the garden areas and swimming pool of the complex, to which it has no access.

DISCLAIMER

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